Daily Report

East Europe

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Yugoslavia

Slovenia—Ljubljana radio reports that talks between Foreign Ministers Dimitrij Rupel and Qian Qichen, indicate China is "slowly accepting the facts" about the breakup of the SFRY. Qian Qichen stated that Yugoslavia, "like the Soviet Union, simply no longer exists as a whole." The radio reported that this statement indicates China may alter the direction of "future policies toward Slovenia and other Yugoslav republics." Minister Rupel "handed a special note to Qian Qichen" requesting "political recognition."

Croatia—Branimir Glavas, Osijek defense commander gave an interview to VJESNIK detailing aims and goals of the Croatian army. He blames Osijek looting and killing largely on the "fifth column" saying the organization is "very strong in Osijek, and its members are well-organized." Concerning the quality of his troops he allows that "the Croatian army was formed on the run, people joined its ranks without being screened. Defense of the homeland was the most important thing." He hopes to weed out undesirables within ranks through "the military police." All commanders have been "alerted" about "the behavior of their soldiers." He adds, "I personally think that our army is not responsible for any more bad things than other armies in the world."

When questioned about Osijek citizens who left and now want to return to their homes, Glavas states that those who "behaved cowardly", including "all those who were able to defend Osijek and Croatia and did not do so are traitors and deserters. And they will lose the status which they had earlier: jobs, indeed even housing if it is socially owned."

Czechoslovak

Czechoslovak President Vaclav Havel "does not think there are real reasons for not signing" the treaty with Germany initialled last October, CSTK reports. Havel's health is "good enough" to allow him to perform official duties, Bratislava radio reports, and he will sign the treaty during German Chancellor Helmut Kohl's visit, which begins on 27 February. CSTK reports 7,000 people gathered in Prague to protest the treaty which, opposition parties have noted, describes the "transfer" of Germans in the border areas after World War II as an "expulsion."

Poland

President Walesa stated that he wants to stop the "fighting" and begin the building "to make Poland a normal country," PAP reports. The president met with labor leaders and journalists recently to focus on "essential problems" of the country. Walesa denounced "political elites" and stated that he would "turn to the masses" or "dissolve parliament, strengthen government and ask for decrees" if democracy failed in Poland.

Romania

Bucharest Radio announced "unofficial and unconfirmed" partial results of the 23 February second round of local elections. Crin Halaicu was elected Bucharest general mayor, and other Democratic Convention (CD) representatives won in the capital's city sectors. The Democratic Convention emphasized that their success over the National Salvation Front (FSN) represents "the victory of democracy over certain mentalities and cliches." A ROMANIA LIBERA article says that the elections held on 9 and 23 February "represent a test and rehearsal" for national elections later in the year. The article notes "the National Salvation Front has lost ground... it has lost some 60 percent of its supporters."

Daily Carries Democratic Party Electoral Platform

AU2402164492 Tirana ATA in English 1301 GMT 24 Feb 92

[Text] Tirana, February 24 (ATA)—In one of its recent issues the newspaper "RILINDJA DEMOKRATIKE" carries the Electoral Platform of the Democratic Party [DP]. It contains an introduction, the chapters in the political, economic field, the targets of the agrarian policy in the social field. Each of these chapters comprises objectives.

The introduction of the electoral platform of the Democratic Party says among others that the Democratic Party was born in the heat of the struggle of the Albanian students, workers, intellectuals and peasants for democracy and freedom, for justice and equality before the law. The birth of the Democratic Party marks the establishment of political pluralism in Albania. The Democratic Party will fight for the accomplishment of the century-long hopes and dreams of our people: the realisation of democracy based on the human rights and fundamental freedoms, the prosperity through the economic freedom and social justice and the unification of our nation with the new historic developments that will take place in Europe. We denounce as a wholly antidemocratic, antinational and antihuman theory and pattern the Enverist pattern of Stalinism and combat for the eradication from the Albanian society of the premises that led to the establishment of this savage dictatorship.

In the political field, the DP aims at establishing full and real democracy in our country, a high standard of living for the people through the elevation of the material and spiritual level of the individual as well as the creation of stable social and political relations. In order to attain this goal, the Electoral Platform of the Democratic Party stresses, it will fight for the maintenance of independence, the territorial integrity and the sovereignty of the country, the strengthening of the national unity, the translation into life of the desires and aspirations of the Albanian people for a pluralist democratic and modern society. It commits itself to draft a contemporary democratic constitution. It is for a radical juridical, structural and institutional reforming of judicial power, the departyization of all state and private institutions and enterprises as well as the ensuring of a genuine depolitization of the Army, the public order organs, the information services, etc., for the whole reforming of the local power, the structures of state administrations etc.

The foreign policy of the DP, the platform underlines, has in the centre of attention the interests of the Albanian nation, the transition of the country towards democracy and the market economy through international political and economic urging and support and internationalizing the all-Albanian question. We aim that in our foreign policy, observing all the international obligations to integrate Albania in the new epoch of democracy, peace and unity. We consider as basic condition for its solution the relations with the U.S.A. and with the democratic countries of Western Europe.

We are for Albania's immediate integration in the European process. In the bilateral relations the DP will rely on the traditional and historic allies of our country. Germany will be one of the main political-economic and cultural partners and an important support for the solution of the national cause. Italy too is an important partner for Albania in the field of economic, political and cultural relations. We are also for the consolidation of relations between Albania and France, Britain, Scandinavian countries, Austria, Hungary. In the U.S.A. we see a reliable support for the new Albanian democracy. With its foreign policy, the DP aims at integration of the country in the European Community. We consider NATO a guarantee for peace and stability in Europe stirred by the phenomena accompanying the overthrow of communist dictatorships. We are for stability and good relations with the Balkan countries and back up the processes of Balkan integration. A special place in the relations with the neighbours occupies Greece, as the only Balkan state that is member of the European Community. Turkey too will take a special place. In regard to relations with Serbia and Montenegro we are of the opinion that there can be no talk of normal development as long as repression and violence continues against the Albanian population who lives under the jurisdiction of these states and the legitimate right of expressing the political will by this part of the Albanian people is not recognized. With the Republic of Macedonia, we are for good relations, but they are conditioned by the observation of the rights and will of the Albanian nation in this republic. [passage indistinct]

Defense Ministry Denies Reports on Military Coup

AU2402203092 Sofia BTA in English 1949 GMT 24 Feb 92

[Text] Sofia, February 24 (BTA)—The Austrian newspaper "DIE PRESSE" reported today that according to Bulgaria's minister of defense, Mr. Dimitur Ludzhev, a coup d'etat was being prepared by ex-Army officers from the time of the communist regime, the ex-minister of defense, General Dobri Dzhurov included. The Press Centre of the Ministry of Defense denied the report. It pointed out that Mr. Ludzhev has never mentioned a conspiracy, he only told "DIE PRESSE" that there are active contacts between former high-ranking officials from the Secret Services that are often hostile to the reforms and create instability in this country.

Dimitrov Explains Cabinet's Reform Strategy

AU2402103392 Sofia DEMOKRATSIYA in Bulgarian 18 Feb 92 pp 1, 3

[Interview with Bulgarian Prime Minister Filip Dimitrov by Neven Kopandanova; place and date not given: "A Reform for Which People Have Waited for Years Does Not Succeed in 100 Days"]

[Text] The first freely elected Bulgarian Government for almost 50 years has just completed its first 100 days in office. The last three months will be closely reviewed by economics, political scientists, and, of course, the critics, who are already seen in ministerial seats. Nonetheless, after the first 100 days the Union of Democratic Forces [SDS] government is still clearly pursuing its priorities and calmly and thoughtfully changing a country and a disastrous economy. On his 100th day as prime minister, Filip Dimitrov gave an interview to DEMOKRATSIYA journalist Neven Kopandanova.

[Kopandanova] Critical voices are being raised from all sides against the government. The reason for this lies in the fact that people expected that once the SDS came into power it would change life the next day. Do you feel that this is a psychological burden, Mr. Dimitrov?

[Dimitrov] To be honest, the psychological burden is indeed quite heavy. Our situation is far from easy, and we must exert ourselves to the utmost. The government's first 100 days passed in a complex situation, because the so-called reform got stuck around the middle of last year. It was quite impossible for the then Grand National Assembly, which was dominated by the Communist Party, to create a basis for changing the country's economic structure. This led to great pressure at the end of the year (which in fact we had to face as a government), connected with the exceptionally difficult problem of stemming the inflationary trends in the country and with the unavoidable cracks that appeared in the plan for stabilization. The attempt to keep things under control places the government in a restrictive position, as a result of which it can satisfy the social claims raised only to a minimum extent. We paid the bills—there was no other way—but only in the form of pittances. This in turn is leading to a further problem: the monetary stabilization that we have achieved (this means that bread does not cost half a pension, thank God) has to be consolidated by very great efforts. This cannot be maintained indefinitely without decisive steps in the structural reform, and these require a legislative basis. All the privatization measures can only be implemented on a legal foundation.

[Kopandanova] Privatization has become a magic word....

[Dimitrov] Privatization does not solve the problems by itself, but creates an environment in which the economy can begin to function on market principles. Precisely because of this, we want to get the privatization process going at an early stage.

The government had to complete a lot of work connected with practical administrative activity—transforming the enterprises, and changing the structural components in individual industrial sectors. A large part of the restructuring steps are connected with taking more rigorous measures regarding loss-making enterprises. At the moment unemployment is increasing because the enterprises are making production cutbacks. On top of the economic crisis, we had to face another blow—the collapse of the Soviet market, toward which we were totally oriented. A large number of production facilities are suffocating—they produce, but everything is stockpiled.

[Kopandanova] How can the shock of unemployment be alleviated?

[Dimitrov] Unemployment is increasing in an unproductive manner, it is not leading to competition in the labor market, nor to rises in labor productivity. The changes in the structure of the industrial sectors caused substantial upheavals in jobs. The shock can be alleviated if we start the small privatization, if the land is returned to its owners, and, third, if private business develops on this foundation. Until these things happen, the government risks arousing social dissatisfaction through its decisive measures for restructuring. These things are interconnected, and we are working on them. Programs are ready for transforming enterprises, privatization, and evaluation; big projects are being prepared; and ways are being sought to attract foreign capital for developing the economy.

[Kopandanova] Therefore, the privatization act will be the lever that raises the cart out of the mud?

[Dimitrov] It is very important, but I would rather say that it helps to smooth out the road so that the wheels can start turning with great strain and effort.

[Kopandanova] It will take quite some time to get the privatization act passed. What are the governments' priorities in the intervening period?

[Dimitrov] We will continue our preparations for applying the privatization act and the Land Act. We are

continuing with our campaign to build the foundations of the market infrastructure. Programs are in hand for obtaining capital investments from abroad, together with PHARE [Economic and Reconstruction Aid for Poland and Hungary Program], the World Bank, and other institutions for restructuring and development. A solution to the foreign debt situation is urgently being sought, and a myriad problems are arising in agriculture.

[Kopandanova] When your government first took office, many of its members stated that the inheritance they found exceeded their expectations, but in a negative sense. Can you give us a case history of the disaster?

[Dimitrov] The situation is indeed catastrophic. The problem now is to clear the decks and consider what actions to take, from the social to the economic sphere. We are seeking ways and means for retraining, financing, more flexible conditions of employment, and so on....

[Kopandanova] One gets the impression that you lay stress on the government's strategic goals. Are you not afraid of neglecting tactical aims?

[Dimitrov] Every government has its strategic goals, but also naturally engages in tactics. Our goals are mainly middle-term—they cannot be achieved in one, two, three, or five months. Second, the attainment of these goals is a continuous process. Third, we have to act in a contradictory manner—for example, one cannot talk about a market mechanism while there are controlled prices. Complete liberalization of prices is preferable, but we cannot permit this for social reasons.

[Kopandanova] The cabinet examined the question of exempting private companies from profits tax on production activities. Will any other concessions be granted?

[Dimitrov] Such a demand was made, and we are reacting positively. We will stimulate production in this manner. I expect that the question of scope for high profits will be raised, and I hope that there will be some concessions here too.

[Kopandanova] The trade unions are suffering from internal contradictions—they are campaigning for a structural reform but this reform itself created trade union problems for them. Is the government waging a war against the trade unions?

[Dimitrov] There is no question of a war against the trade unions, and I want to make this quite clear. I have no intention of fighting anyone. However, the trade unions have to make a choice: Either they truly want a change, and will strive alongside us to lead Bulgaria out of the crisis, or they can be angry at us and create immense problems, which will be in no one's interest. It is important to realize that even if most of their economic demands were satisfied, life would not improve for the people. If we increase wages in one sector, the workers who get the rises will become poor, because the anti-inflation protection will crack.

[Kopandanova] You often talk about respect for the institutions. How will this be achieved?

[Dimitrov] Through work. The Army reform is under way, and a bill to amend the Interior Ministry Act has already been submitted to parliament.... We aim to achieve results in building up the institutions, increasing their prestige, and enabling them to really get on with their jobs. You will agree that no reform can be implemented in a country in which one can steal with impunity. It is terrible when pensions are insufficient, but it is even more terrible when you cannot walk in the street.

[Kopandanova] One last question, Mr. Dimitrov. When the SDS government was formed, it was described as a team for action, but now it is accused of sluggishness. What name do you expect it will have 100 days from now?

[Dimitrov] It is not my job to assess the government. Assessment is not the most important thing for the transition that we are undergoing at the moment. No doubt the government is not perfect, but we have to cope with certain facts of life that do not depend on us. I am open to criticisms and suggestions, but stress that some things are possible, while others are impossible.

[Kopandanova] Mr. Prime Minister, thank you for this frank interview.

Prodev Article Assesses SDS Performance

AU2402142292 Sofia DUMA in Bulgarian 19 Feb 92 p 8

[Stefan Prodev article: "Time Has Come!"]

[Text] The dark blue majority in the parliament needed only 100 days to fully reveal its reactionary nature. It turned out that the Union of Democratic Forces [SDS]-Movement has people's representatives whose main goal is to restore primitive capitalism as it existed in Bulgaria during the years of fascism. Those people, connected not only socially but also biologically with the country's monarcho-fascist past, simultaneously jumped from their class holes and addressed absurd claims at the modern Bulgarian society. They propose and adopt laws whose anti-people nature is more than obvious. They do not aspire to create a new social society with pronounced civic virtues but to improve their own financial situation. Therefore, the gentlemen relinquished the laws directly related to the economic reform and began to restore everything that could produce personal benefits. We are witnessing a real return to the past, a cynical change in history's clock, which is not done in the name of lofty social goals but only in the interest of rude private interests.

Naturally, this entire policy of restoration is implemented under the cloak of most hypocritical parliamentarian speeches. The people who read them present a vicious and immoral claim, namely, that they read those speeches in the name of the coveted democracy. In this

area the class appetites and social demagogy are so closely interwoven that one instinctively hears teeth gnashing rather than ideas sparking new projects. Thus tomorrow, if society tamely accepts the dark blue laws of the present National Assembly, Bulgaria will again be divided into poor and rich citizens, masters and servants, greedy apartment owners and humiliated tenants. The issue no longer affects the political colors of various social groups, but rather their social fate. After 50 years of powerful construction, regardless of the mistakes, deviations, and even crimes of the old totalitarian system, our country will again return to square one, namely, to the dilapidated old huts in the villages, which in 1939 became the symbol of social and moral decay.

The legislative activity of the dark blue majority is so hasty and arrogant that millions of people already are living with a sense of desperation. Under conditions of an acute economic crisis they lose any notion about their future, and, willingly or not, they become victims of the official propaganda. Many of them become apathetic and avail themselves of illusions. The miracle they have been promised from the parliamentarian rostrum continues to elude them, thus they seek salvation in new promises about land, inheritance, or a small shop. At the same time the laws that are adopted doom them to a new social slavery and promise them candy in exchange for ensiaving them for decades. It does not have to be spelled out that the candy will soon melt under their tongues, and then the drama of those who have been cheated will shake everyone. Then we will understand that while some people really struggled for democracy, others took advantage of their idealism and cashed in on their slogans for their own personal benefit.

The leaders of the SDS Movement turned out to be most ordinary class speculators who utilize the common interest for their own personal desires. Tomorrow, when they achieve their goal, they will throw away their democratic mask and forget their lies. Then the people who have been cheated will see their real face. It will not be different from the faces of their fathers, who brought Bulgaria to two national catastrophes. In this sense, the sobering of the people will happen in a matter of time. After one or two years, or perhaps even sooner, Bulgaria will feel that it was only given a toy to play with. While we do not want to be prophets we still know that then the people will wake up and settle the account. We are not talking about the Communists, with whom the gentlemen continue to scare the society, but those who have been cheated, including the gentlemen's own voters.

The political speculators ever more clearly understand this danger and therefore already create the ghost of some social menace, which ostensibly would stop the country's democratic development. The lie always was a weapon of theirs, and today they willingly use it in the political arena. However, lies are short-lived, and soon the dark blue restorers will understand that their game is up. Shylock never had a chance in Bulgarian history. He accumulated riches but never any moral values or confidence. He certainly will not succeed today, despite his efforts to appear tame and humane. Democracy does not support those who look backward. Sooner or later it expels them from its temple. The stick of the people's mistrust has already been risen. This is why the dark blue leaders and their helpers are in such a hurry. The number of those who have been cheated is increasing, while the gentlemen are still busy stuffing their wallets. This alarms them and forces them to accelerate their legislative activity. Through this activity they want to perpetuate their class greed without even suspecting how short-lived their reign will be.

Is there a way out of this jungle of interests and ambitions, restoration laws, and revenge ideas?

There still are many people who do not trust their forces, seek salvation, and expect a miracle. However, the miracles are not in a hurry, and they will not come. Other people would like to help society, but they experience social and physical fear of the dark blue aggression. Nevertheless, there is a way out! This is the road of the social effort and of uniting all those who dream of a new and just Bulgaria, which will not serve the interests of the old tycoons and their offspring but will be a real social democracy, a modern and prospering state, in which the interests of man and society will be above everything else. Those people who dream of such Bulgaria are numerous and powerful. They are united in a common front against rising new totalitarianism. They are a powerful factor. Their political color has no significance. The interests of the motherland and democracy need all political and social forces who do not want to obey the dark blue dictatorship of the SDS Movement. Red and green, orange and light blue, people of the left and the center, public organizations and independent movements, intellectuals and priests, pensioners and unemployed—this is the great social wave which must defend democracy. Being aware of its historical chance this wave could tame the anti-social drive of the rightist reaction.

Reaction has never been popular and beloved in Bulgaria. It has always encountered society's resistance, regardless of its political diversity. The differences have always been smaller and weaker than the common will for democratic action. This is the road! Tomorrow it will be too late. It is time to forget yesterday's quarrels that did not do anyone any good. The danger of a radical rightist development of society is obvious, and no one should sacrifice democracy because of those quarrels. We have a bitter experience, which contains many wise lessons. Let us not underestimate it because of our personal dignity. Let us use it and march forward. The people understand ever better who the real democrats and patriots are, who is willing and capable of rising above their personal interest and helping the people. This is a wonderful chance that should not be missed.

The rightist forces are advancing. It is time for all leftist and centrist forces to respond in kind. Those who do not understand this will be swept away by the storm of passions and delusions. It is not the success of this or that

political formation that is at stake. It is democracy Bulgaria worships is what is at stake. Let the demons of discord that divide and scare us sink into oblivion!

Podkrepa Withdraws From Social Peace Agreement

AU2502100292 Sofia PODKREPA in Bulgarian 19 Feb 92 p 1

[Letter from Konstantin Trenchev, president of the Podkrepa Labor Confederation, to Prime Minister Filip Dimitrov; place and date of issue not given]

[Text] To the Prime Minister of the Republic of Bulgaria.

Mr. Prime Minister,

In connection with your 7 February 1992 proposal, on creating a mechanism of social partnership, which was reviewed in detail at the Second Congress of the Podkrepa Labor Confederation, I have been authorized to inform you about our position:

The Podkrepa Labor Confederation addressed to you several unofficial queries as to whether the new government adheres to the spirit and clauses of the January 1991 Agreement on Preserving Social Peace. During more than three months Podkrepa, being aware of the complex social and political situation in the country, voluntarily and unilaterally adhered to the commitments it assumed.

Unfortunately, the model on tripartite cooperation you proposed contradicts the program of the Podkrepa Labor Confederation, the existing world practice, and the mechanism of the Agreement on Preserving Social Peace.

Subsequently, and noting

—the great social tension evoked by the erroneous policy in decentralizing and transforming the enterprises;

—the strong increase of unemployment, which exceeds the level set by the agreement;

—the sharp decrease in the population's real income;

—the unilateral and unexplained withdrawal of all social and labor laws, coordinated by the Tripartite Commission;

—and taking into consideration the interests and moods of our members and the fact that the government does not implement the program of the Union of Democratic Forces, the Podkrepa Labor Confederation withdraws its commitment related to observing the Agreement on Preserving Social Peace. All ensuing consequences will be a result of your government's policy.

[Signed] Dr. Konstantin Trenchev, president of the Podkrepa Labor Confederation.

Presidential Spokesman on Havel's Health, Treaty

Havel Resuming Official Duties

LD2402162892 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 24 Feb 92

[Excerpts] Following his convalescence, President Vaclav Havel feels his physical state of health is good enough to allow him to perform the duties of his post. This was announced by Jiri Oberfalzer, head of the press and information department of the Office of President of the Republic, at a press briefing today. [passage omitted]

The representative of the office went on to say that Vaclav Havel considers it still too early to give his view on the possibility of his running for president.

Will Sign Treaty With Germany

LD2402163292 Prague CSTK in English 1324 GMT 24 Feb 92

[Text] Prague Feb 24 (CSTK)—Czechoslovak President Vaclav Havel "does not think there are real reasons for not signing the Czechoslovak-German treaty", initialled last October, Jiri Oberfalzer told journalists today.

Oberfalzer, head of the Press and Information Department of the Czechoslovak Presidential Office, said Havel "does not intend not to sign the new Czechoslovak-German treaty".

He confirmed German Chancellor Helmut Kohl will arrive for a two-day visit to Czechoslovakia Thursday, February 27, to sign the treaty.

There has been pressure in Czechoslovakia, especially by opposition forces, for the treaty not to be signed because it does not break with the past. Opponents mainly criticise that the treaty does not say the Munich agreement of September 1938 is not declared null and void from the very beginning (the treaty forced Czechoslovakia to cede to Germany its border lands and led to the occupation of the Czech lands in March 1939), replaces the term "transfer" with "expulsion" (2.5 million Germans were transferred after World War II), and speaks about "existing", not "state" border between Czechoslovakia and Germany.

Resentment to the treaty has been nourished by the push by the Christian Social Union [CSU] of Germany for restitution of the property of Sudeten Germans, which was nationalised under Czechoslovak President Edvard Benes' decrees of 1945, and recognition of the right to return to Czechoslovakia.

Prague Rally Protests Treaty With Germany

LD2402205792 Prague CSTK in English 2005 GMT 24 Feb 92

[Text] Prague Feb 24 (CSTK)—About 7,000 people gathered in the centre of Prague today to protest against the Czechoslovak-German friendship treaty, due to be signed here Thursday.

The gathering was called by the "Movement '90", a grouping of Czech rightist parties and movements established in August 1990.

The "Movement '90" organised a similar gathering on February 15, attended by 4,000 people.

Some opposition parties in Czechoslovakia have objected to several formulations in the treaty, for instance, the description of the transfer of Germans living in Czechoslovakia's border regions (Sudetenland) after World War II to Germany, as an "expulsion".

Sudeten German organisations in Germany have been wanting the treaty to settle their claims to property they left behind, which was nationalised under 1945 presidential decrees, but the foreign ministers of the two countries have agreed not to deal with this issue in the treaty.

Pithart: 'Opportunity Missed' in Treaty

LD2302153792 Hamburg DPA in German 1424 GMT 23 Feb 92

[Text] Hamburg (DPA)—Petr Pithart, Czechoslovak prime minister, regrets that Bonn has not been prepared to draw a "thick line" under the past regarding the German-Czechoslovak treaty, therefore also anchoring the invalidity of the Munich agreement in the treaty "from the beginning." In an interview with the daily newspaper DIE WELT (Monday's edition), Pithart said that under these conditions President Havel would have been prepared to allow the return of all the Sudeten Germans and given them equal treatment in the question of returning property as Czechoslovak citizens.

This opportunity has been missed, Pithart said. The German public had either not been told of this offer at all in May of last year or after great delay. "I do not underestimate the difficulties which acceptance of our offer would have brought the German side," Pithart said, "but they would have been immeasurably less than the difficulties which we have left ourselves for the future." (The interview was prereleased to DPA in a news version)

Criticizes DIE WELT

LD2402201692 Prague Stanice Praha Radio Network in Czech 1430 GMT 24 Feb 92

[Text] Czech Premier Petr Pithart made a statement today about the interview he gave to DIE WELT.

He described the published article as merely paraphrasing what he had said. As Pithart told a CSTK correspondent, on 21 February he gave a standard interview to Karl Peter Schwarz, Prague correspondent of DIE WELT. It was impossible to see from the final text, however, which were the questions and which the answers.

Premier Pithart said that it was Mr. Schwarz who asked about the suggestions President Havel put forward in May 1991. He asked whether these are still topical and whether Czechoslovakia will be willing to grant the Sudeten Germans permanent residence, renew their citizenship, and enable them to join in the restitutions in the form in which they are possible today in Czechoslovakia.

Petr Pithart said during the interview with DIE WELT that the issue bypassed the fundamental condition which President Havel laid down when he mentioned the offer. This was, above all, the annulment of the Munich Agreement from its very inception, with all the consequences. Petr Pithart expressed his regrets that the German side had not accepted the offer, and that the German public was not even informed of it in full and in good time.

It transpires from the original recording of the interview that the Czech premier never used the word restitution, nor did he did talk about the property claims of the Sudeten Germans or their return to Czechoslovakia.

Pithart Interview Causes 'Heated Controversies'

AU2502104492 Vienna DIE PRESSE in German 25 Feb 92 p 4

[Karl-Peter Schwarz report: "Controversy Over Pithart Interview; Havel Denies Concessions to Sudeten Germans"]

[Text] Prague/Bonn—The interview with Czech Prime Minister Petr Pithart, which was published by DIE PRESSE yesterday, has caused heated controversies in the CSFR and in Germany. Among other things, Pithart recalled President Havel's readiness to permit the Sudeten Germans to return to their old homeland and to give them the same rights as CSFR citizens regarding, if Bonn had agreed "from the very beginning" to annul the Treaty of Munich.

Both the former Communist Party organ RUDE PRAVO and Karsten Voigt, foreign policy spokesman of the Social Democratic Party of Germany, concluded from this statement that Havel had offered the Sudeten Germans the return of their property, which was expropriated in 1945 by decrees of then President Eduard Benes. While RUDE PRAVO insinuated that Havel wanted to annul the decrees, Voigt criticized the fact that the Bonn government had not informed the public about Havel's offer.

However, Pithart had only recalled that, in connection with the German-Czechoslovak neighborhood treaty, Bonn had not been wiling to draw a "thick line" under the past. Restitution of the Sudeten German property, which was expropriated in 1945, had never been discussed in Prague, since only that property will be returned that was nationalized or collectivized after the Communist putsch in February 1948. If Havel's proposal had been accepted by Bonn, the Sudeten German would-be returnees would, however, been able to participate, as CSFR citizens, in the first rounds of the auctions, which are taking place within the framework of a small-scale privatization.

President Havel, who telephoned Pithart and asked him to tell him about his statements during the interview, affirmed that in his negotiations with the German side he had never discussed the possibility of returning Sudeten German property.

The controversy in Prague and in Bonn can be explained by the fact that the German-Czechoslovak neighborhood treaty is to be signed by President Havel and Chancellor Kohl in Prague next Thursday [27 February]. The treaty, which excludes the issue of property, is rejected both by the Sudeten-German Expellees Association and by the Czech leftist parties. While the Sudeten Germans call for a restitution of their property rights, the Czech communists criticize Prague for having made too many concessions to the Germans.

Pithart Dismisses Fears of German Capital

AU2402101892 Prague RESPEKT in Czech No. 7 17-23 Feb 92 p 5

[Interview with Czech Prime Minister Petr Pithart by Petr Janyska; place and date not given: "German Businessmen Are Best Prepared"]

[Text] [Janyska] Some foreign companies do not conceal their surprise that, very often, German companies emerge victorious from competitive tenders. What is your explanation?

[Pithart] People in Germany are incomparably better prepared, and, most important, they have adapted to our conditions. An American businessman comes, and after three days he still does not understand the reactions of people he is dealing with, is nervously looking at his watch because time is money, does not understand our division of powers, and is enraged by the incomprehensible conditions in this country where people are afraid to make decisions about anything, where they cannot respond to common tokens of courtesy and cannot even reply to a letter. Everything here is incomprehensible to him, and, overwhelmed and confused, he flees.

A German businessman is different. This is not only due to physical proximity. I particularly ascribe it to the circumstance that the former GDR is part of the Federal Republic. These people know the mentality of our managers and ministerial bureaucrats, they have an insight that a Japanese or an American lacks. The Germans are also immeasurably more patient. They do not come here to make a quick profit, they know that they may be losing money for five years but that in the long run it will definitely pay off.

[Janyska] A special government session was held recently to discuss the infiltration of German capital to our country. The session was prompted by a letter from

intelligence chief Radovan Prochazka, which supposedly claimed that some of our ministers abet this capital for certain reasons.

[Pithart] Mr. Prochazka did really come up with such an initiative. As far as I know, he sent the same letter to [Czech National Council Chairwoman] Mrs. Buresova, Interior Minister Langos, and the president. Even though the letter did not contain any specific data, I considered it to be of such a serious nature that I convened the government to hear out the authors of the letter and to make a decision in light of their findings. We did not learn anything new, however, as the authors did not present a single piece of evidence or argument. We reached the conclusion that the government should not deal with such false alarms and decided not to establish any commission that would deal with German capital and to carry on our policy as before.

[Janyska] Does a method even exist of ensuring that capital comes from several sides?

[Pithart] We must enlist in the other countries in which we have an interest businessmen who would be similarly well-informed and well-adapted as the Germans ones. For this to happen, however, we must have people in these countries who would offset all the disadvantages that our physical and mental distance from the Americans, Japanese, French, etc. entails. We must have people there who will actively lure capital into our fold [ohrada].

Experts who know the world say that this costs plenty of money but that it is possible to get a foreign credit for such purposes. Mr. Dyba's Czech Ministry of Economic Development is working on this project. The standard of today's commercial departments of our embassies, which are run by the Ministry of Foreign Trade, is miserable and the quality of information they get from Czechoslovakia is perhaps even worse.

[Janyska] The foreign policy of Czechoslovakia's first republic tried to offset the German influence, which, for historical reasons, was considerable in Bohemia, with French, British, and other capital. Do you think that we, too, could outweigh Germany with other European states?

[Pithart] We would be tremendously interested in French capital, but our experience thus far has not been good. The French have been a priori biased and egocentric, and when they did not win a tender they have interpreted it in an absolutely unwarranted way. They have expressed this (even members of the government) in a way that should have no place in business negotiations. If we do not give preference to France, this could supposedly have consequences, and it could be understood as an affront to Paris. The German side has never behaved in this way.

Interior Minister on German 'Risks' Report

AU2402102092 Prague RESPEKT in Czech No 7, 17-23 Feb 92 p 4

[Jaroslav Spurny article: "The Head of Intelligence Writes to the Government"]

[Text] During the past two years, the former First Administration of State Security (intelligence) was transformed into the Office for Foreign Contacts and Information (UZSI). Nevertheless, the task of the office is the same—intelligence operations and the collection of information on our potential enemies.

The UZSI processed recently the so-called "risks"—i.e. it assessed individual countries according to the danger they could represent to our state. The "risks" are analyzed from the point of view of economic expansion, military threat, interest in patents or scientists, etc. Among the 20 "risks" considered a priority by the office, 11 concern Germany.

According to an official of the Federal Ministry of the Interior, the intelligence staff consists mostly of former employees of the State Security First Administration and State Security members from the 1960's who were recalled to duty. In the past 40 years, intelligence work has been mostly oriented against Germany. It was in the interest of the KGB. Therefore, even today, it is simplest to look for an enemy on familiar territory, where there is an established network. The report on the "threatened risk," which was prepared by the intelligence, will also be dealt with by the Council for Intelligence Service and the Federal Government. It may all end up differently.

The Letter That Should Not Have Been Mailed

The orientation of intelligence work was confirmed in a confidential letter from the head of the Office for Foreign Contacts and Information, Radovan Prochazka, sent to the Chancellery of the President of the Republic, the Czech National Council, and the Czech Government.

The letter refers to a report our intelligence managed to obtain—allegedly from high political circles in Germany. The report is supposed to confirm the strong indications available to the intelligence service: These all allegedly bear witness to a massive FRG economic offensive on the Czech Republic.

R. Prochazka says in the letter that the agency report on the intentions of the German side to economically dominate the Czech lands (in cooperation with unnamed Czech state institutions) is very reliable. For several months now, analyses of his office have allegedly "emphatically warned" that any disproportion in the Czech investment policy in favor of one state could result in danger to Czechoslovak sovereignty. The Czech Government discussed the letter in two closed sessions. According to the ministers, the letter did not contain any specific data, and the government has not learned any additional details from UZSI officers. Prime Minister

Pithart: "We gained the impression that such a letter should not have been written. I am distraught over the affair."

So Far, No Expansion Is Coming

At this time, foreign investments do not exceed one percent of the total capital volume in the CSFR. The fact that Germans are participating with more than 80 percent in foreign investments provides a somewhat distorted picture because of two large contracts—between Skoda Mlada Boleslav and Volkswagen, and Skoda Prague and Siemens. The rest is so negligible that one cannot speak of any expansion from other German businesses.

As long as a year ago, Slovak Interior Minister Pittner claimed that Western intelligence services were cooperating in an anti-Slovak campaign aimed at reducing the value of Slovak enterprises so that Western businessmen could do some cheap shopping. Recently, similar claims, particularly in connection with the anti-Czechoslovak articles in some German papers, have also appeared in the Czech lands. The fact, however, that the intelligence bases its analyses on similar arguments is astounding.

Jan Langos: It Was a Mistake

Because of the confidential letter by R. Prochazka, we asked Federal Interior Minister Jan Langos several questions.

[Spurny] Minister, you assessed Prochazka's report as "unsubstantiated." How is it possible for your subordinate to turn to the government and parliamentary institutions with agency information without consulting you? Who really is in charge of the intelligence service?

[Langos] I had three reasons for casting doubt on the report. There is no "agency" report that would authorize someone to draw the conclusion specified in this text. The UZSI does not have a single expert competent to judge the problems related to the participation of foreign capital in the transformation of the Czechoslovak economy. The office has no "agency" information on foreign capital in the CSFR and it is not the task of the office to obtain such information.

The task of the intelligence service is to provide information to the government—but never political conclusions. If we accepted such a practice, we would reach the point where the secret service controlled the parliament and the government. Political risks or injury to the interests of the CSFR, substantiated by infallible evidence, must be judged by the government. The UZSI director made a mistake, and I do not intend to dramatize it. I will not, however, allow a manipulation of constitutional officials on the basis of confidential reports, which actually should not be classified.

[Spurny] The report implies that the intelligence work is continuing espionage against Germany. Is the former State Security agency being employed?

[Langos] The UZSI does not conduct espionage against Germany or any other NATO or EC countries. All the old resident centers were abolished. Today, the UZSI maintains official ties (so-called liaison) with many Western secret services, and that includes the German one. The condition for these ties is that the services do not spy on each other. The liaison is so advantageous that neither party would jeopardize it. Let me quote General Moravec: "It is necessary to differentiate between intelligence and espionage."

[Spurny] According to our sources, former State Security officers work in almost all leading posts of the intelligence service. The post-communist intelligence allegedly does not even have the trust of the Federal Security Information Service [FIS]. The Foreign Ministry allegedly strongly opposes placing these people in foreign service. Could you explain this?

[Langos] After multiple screening, the office submitted a proposal to grant five exceptions to the screening law; it is the smallest number from all ministry sections. The training of an intelligence officer requires at least as much time as the training of a diplomat. In the UZSI, the leading posts are manned by new employees who became highly qualified in a very short time.

Regarding cooperation with the Federal Ministry of Foreign affairs, I can say that its representative participates in the coordination of the work of all intelligence services in the CSFR Government Council for Intelligence Services.

[Spurny] Do you believe that the time has not yet come to put intelligence under parliamentary control?

[Langos] There are four secret services operating in Czechoslovakia and the secret police of the Slovak Republic Interior Ministry. Each must be subject to double control—parliamentary and at the same time subordination to the government—i.e., to a specific constitutional official, whose post must be threatened if the service violates the law.

Calfa Interviewed on Talks in Moscow

LD2302110592 Prague Federal 1 Television Network in Czech 1850 GMT 22 Feb 92

[Interview with CSFR Premier Marian Calfa by correspondent Kanturek—place and date not given; Calfa speaks in Slovak—recorded]

[Excerpts] [Kanturek] Mr. Premier, the reports coming from the former Soviet Union are not very encouraging. This week you held negotiations in Russia in such conditions. A few reports about your visit appeared in the daily newspapers. Would you like to tell us some more details about the talks?

[Calfa] Well, throughout its entire history, Czechoslovakia has not, in fact, had a border with Russia. We have always had a border with the Soviet Union—that is, after

World War II. All the negotiations that were held, all the agreements that were concluded, were in fact agreements concluded between Czechoslovakia and the Soviet Union. The Soviet Union has diappeared and the individual republics that have remained have gradually acquired the shape they have today. By and large, at present we have to do something about bilateral relations with the republics that used to be united—and there are 15 of them altogether.

The most important of them is, of course, the Russian Federation. For us it represents an enormous market, an enormous source of raw materials. We export a huge amount of our goods there. Therefore it was necessary to continue in that development and try to establish bilateral cooperation with the Russian Federation. It is a vast country that is going through enormous changes, which naturally means that its problems are also enormous. That is beyond our standards, our experience. Naturally, we are a small partner for them, but, as they said, an important one.

The purpose of the visit was to discuss all possible bilateral issues after the disintegration of the Soviet Union and to lay the foundations of something for the future. I have a feeling that all the issues raised there—whether economic relations, future trading methods, Russia's debts to us, compensation for the damage caused by the former Soviet Army, and so on—were discussed in some way and we succeeded in reaching certain conclusions.

[Kanturek] I think that you have just mentioned what is the most painful issue: Our enterprises export goods there but we do not receive money in exchange for it. I suppose that talks about these issues were not easy?

[Calfa] The debt they owe us is enormous and has a certain structure. Nevertheless, during our talks with Russian First Deputy Premier Burbulis, who is in practice in charge of executive power matters, and with President Yeltsin we above all stressed that although the structure is important, the first place within this structure is taken by the debts to our individual enterprises. This is because if an enterprise exports goods and does not receive payment for it, this is its specific claim and it has an impact on its specific situation—not only economic situation as it consequently turns into a social issue because there is no money for wages in such an enterprise. This immediately turns into a political issue in the region in question because certain social unrest emerges.

I put extraordinary strong emphasis on the fact that those enterprises which export goods there—and there are many of them both in the Czech Republic and the Slovak Republic—have to receive payments in the first phase.

We set up a small working group which is to bring results by the end of February, and President Yeltsin himself promised that we were going to give priority to these matters. My personal feeling is that we are going to be able to find a solution—and the solution can be only one: These enterprises will receive the money due them.

[Kanturek] While you were having talks in Russia our parliament was debating the three chapters of the constitution that have not been debated, and at the same time the so-called arbitration proceedings are taking place. During your interview in the Kosice studio a week ago you spoke very skeptically, and I would even say prophetically about issues concerning the constitutional set up. I would like to put this question to you: It is now beginning to appear that a very problematic situation is emerging in the parliament, where voting on certain matters is not taking place. Executive organs however cannot simply block anything; they cannot obstruct things. I would like to ask you: Do you not have the feeling that the mood of the state on the verge of breaking up is beginning to have a negative impact on the work in federal authorities?

[Calfa] I was not present at the meeting of the parliament last Tuesday. Mr. Lux, chairman of the People's Party, naturally did not fail to stress this fact at the press conference he gave. One cannot be everywhere. I was simply in Russia at that time, and I have already talked about matters we discussed there. I regard this as equally important to our state. Nevertheless, I would like to give an unequivocal answer to your question and that is that the executive power cannot permit itself not to work. The state in which 15.5 million people live does simply exist here and therefore this state must function within and it must also have a dignified partner to the outside world regardless to what our sentiments are or are not, regardless of what we think future development will be like. The system of state authorities will be functioning until the constitutional base for its activity ceases to exist. The state must function; it must look after things because this is its constitutional duty.

Although I expressed a certain skepticism, nevertheless I cannot say that the matter has been resolved. The matter will be resolved by our people in our elections according to which political forces they give their votes to and the constitutional set up will then develop after the elections accordingly. [passage omitted]

Discusses Claims, Cooperation

AU2402094892 Prague HOSPODARSKE NOVINY in Czech 20 Feb 92 pp 1, 3

[Interview with CSFR Prime Minister Marian Calfa by Vaclav Lavicka on board a plane from Moscow to Prague on 18 February: "Claims—the Acid Test"]

[Text] "We must do something about the frozen assets that are affecting numerous Czechoslovak enterprises," Federal Prime Minister Marian Calfa told us in an interview on board the plane returning from the Moscow talks.

[Lavicka] The trade conducted last year resulted in claims by numerous Czechoslovak enterprises against

their Russian customers. What, approximately, is the total amount of these claims?

[Calfa] The organizations controlled by the Czech Republic Industry Ministry accumulated last year claims against the Russian customers to the amount of almost $362 million, organizations of the Slovak Republic Economy Ministry $118 million, and those in the department of the Slovak Republic Industry Ministry $34 million. Thus the total for only these three ministries exceeds $500 million.

According to a report available to us, Russian customers submitted their payments to the Vneshekonombank [the Bank for Foreign Economic Operation]. Hence, the Vneshekonombank froze the payments to Czechoslovakia on the highest level.

A solution to the problem of frozen payments was for us the absolute priority. After all, these are funds of our enterprises that are forced to deal with the situation by taking credits from the Komercni banka [Commercial Bank] under the usual credit conditions. Technically, the Czechoslovak enterprises finance this credit themselves, and that is an unacceptable situation. We just cannot afford such operations.

In Moscow, I explained the situation directly to President Yeltsin. President Yeltsin really pricked his ears up when I spoke about the economic and political social impact of the situation on specific enterprises. He promised that they will give priority to dealing with this issue.

[Lavicka] Apparently, it will become one of the first acid tests of the Czechoslovak-Russian relations. The question is, what will be the foreign economic priorities of Russia, which—as is well known—has substantial obligations elsewhere....

[Calfa] Frankly, it is not an easy situation for them, and they do not hide it. To our enterprises, the unpaid claims are a hard signal, but at the same time they cause a dilemma. The enterprises are aware of the fact that the Russian market—after the difficulties are dealt with—has a great potential and can offer great possibilities to both sides. In other words, if we managed to settle this problem on the intergovernment level, we might even be able to avoid specific payments. At the moment, I cannot imagine how precisely this would be done technically, but I am thinking of such actions on the Russian side that would allow us to give with a clear conscience state guarantees to the bank on bridging credit, for instance, so that our enterprises would at least not pay interest. The idea is to help deal with the situation by the means available to us in this economic mechanism.

The Czechoslovak businessmen are extremely resourceful and are often able to help themselves. If, however, the center interferes on the Russian side—as is the case of the 15-percent surcharge—the trade is rendered impossible. Therefore, we made a demand in Moscow that the Russian Government make an exception in certain commodities.

[Lavicka] President Boris Yeltsin appealed for cooperation with Western companies operating in Russia's energy sector. Is the Czechoslovak Government planning any involvement here?

[Calfa] This concerns the president's global reflections on cooperation. He told us in which regions drilling for oil is planned, specifically the Barents Sea with its exceptional reserves. Basically, he urged us to join forces with both the Western companies and the appropriate Russian enterprises. He also mentioned a natural gas discovery, the reserves of which are large enough to supply Russia with gas for 200 years, and where, according to him, an unbelievably great possibility for cooperation exists. The advantage is that the existing pipeline network could be used, including the transit pipeline on our territory.

[Lavicka] There was also some talk about the non-energy sectors. Engineering, for instance?

[Calfa] At the moment, I do not have the precise content of the separate talks of the ministers, but this was not discussed at the plenary session. Our priorities were the debt, crude oil, the tripartite operation, and we needed some idea of this year's trade. I would like to point out that we actually made the first government-level visit to the Russian Federation as a state. It is important that we made contact and found a common language. I would go so far as to say that we found human contact. The talks were positive and compelling. We suited each other also as people, by our way of thinking.

Contracts Signed on Russian Gas Exports to FRG

AU2502101392 Prague HOSPODARSKE NOVINY in Czech 21 Feb 92 p 3

["(tc)"-signed report: "Natural Gas Via the CSFR"]

[Text] Russian natural gas will now be exported to the Federal Republic of Germany across Czechoslovak territory on the basis of two new long-term agreements signed on 19 February and yesterday in Prague. The first agreement involves the export of seven billion cubic meters of gas per annum to the eastern laender. Representatives from Metalimex and the Czech Gas Enterprise signed the agreement with the German Verbundnetzgas company, a branch of the Ruhrgas concern. This service has been provided to the German customer for a number of years, but the contract has now been placed on a qualitatively different level, particularly from the financial point of view.

The second agreement was signed between Metalimex and the Czech Gas Enterprise and the German Wintershale company. In this instance, a completely new contract is involved on the basis of which another 4.57 billion cubic meters of Russian natural gas will be exported to Germany across our territory.

As representatives of the Czech Gas Enterprise stated, this is the first time in the history of Russian gas exports

to the West across our territory that a long-term contract has been concluded by the Czechoslovak side and not by the Soviet side (as was the case in the past).

Foreign Ministry Warns Hungary About Dam Project

LD2302001292 Budapest Kossuth Radio Network in Hungarian 1500 GMT 22 Feb 92

[Text] A spokesman for the CSFR Foreign Ministry said the Hungarian Government will only do damage to itself if it terminates the agreement on the Bos [Gabcikovo] dam. Egon Lansky believes doing so will certainly damage the relations between the two countries, adding that it would be much better if the treaty remains valid, because it provides assurances for both countries. Czechoslovakia and Hungary can not harm each other as much with the treaty as without.

Rejection of Constitutional Amendments Not Final

AU2402132092 Prague CSTK in English 1309 GMT 20 Feb 92

[Text] Prague Feb 20 (CSTK)— The head of the parliamentary arbitration committee charged with finding a compromise on the relationship between the legislative and executive branches of the Czechoslovak Government today told CSTK the committee has so far met twice and its work is by no means over.

February 18 the Czechoslovak parliament rejected amendments to three sections of the Federal Constitution that would have rearranged relations between the president of the republic, the parliament, and the government (cabinet). The arbitration committee, consisting of deputies from both houses of the Federal Assembly (parliament) was set up to iron out differences on three issues.

Committee Chairman Jan Sokol listed the issues as following: the agreement between the Czech and Slovak Republics on the future state setup, the ratification of the constitution by the parliaments of the two republics, and the extent of legal measures to protect the Slovaks, fewer in number than the Czechs, from being consistently outvoted.

The committee should finish its work next week to be able to present the results to the parliament session in March.

It is still too soon to evaluate the committee's work, he added.

Budget for 1991 Ends in Deficit

LD2102180892 Prague CSTK in English 1703 GMT 21 Feb 92

[Text] Prague Feb 21 (CSTK)—Czechoslovakia's 1991 budget deficit amounts to 12,300 million crowns (410 million USD), Czechoslovak Deputy Finance Minister Ivan Kocarnik told a session of the Economic Committees of both houses of the Czechoslovak Parliament today.

Kocarnik said an originally planned budget surplus of 8,000 million crowns (266 million USD) failed to be reached.

He said the Czechoslovak Government views this 20,000 million difference as most negative. Kocarnik said the deficit was mainly caused by loss of control over the Czech and Slovak Republics' budgetary expenditures in the last two months of last year and by a decline in budgetary revenues. These resulted from the collapse of the Council for Mutual Economic Assistance (CMEA) markets, and from the process of transition to market economy, including privatisation and price liberalisation.

The federal budget ended in a surplus of 6,400 million crowns (213 million USD), but the deficit of the Czech Republic (where two-thirds of Czechoslovakia's population live) was 14,800 million crowns (493 million USD) and the deficit of the Slovak Republic (where only a third of the Czechoslovak population lives) 10,200 million crowns (340 million USD). Local budgets showed a surplus of 6,300 million crowns (210 million USD), Kocarnik said.

Speaking about a possible revaluation of the Czechoslovak currency, Kocarnik said it depends on the development of the balance of payments. Any considerations about it would be premature, he said.

Antall Claims New Dam Threatens Environment

LD2102224492 Budapest MTI in English 1301 GMT 21 Feb

[Text] Budapest, February 21 (MTI)—'Should Czechoslovakia go on building the Gabcikovo power plant and rechannel the Danube in violation of international law, the Hungarian Government will be compelled to abrogate the 1977 interstate agreement between the two countries. The partners will be notified of the decision in a letter,' Minister Without Portfolio Ferenc Madl told a news conference here today.

During its February session, the government dealt once again with the Gabcikovo-Nagymaros twin-dam project and related disputes, Madl said.

Most of the controversy concerns the effect the power plants are likely to have on the environment. The Hungarian side fears that the adjoining reservoir will destroy 45 percent of the country's drinking-water reserves. With a 60-square-kilometer surface area, the lake would hold two million cubic metres of water in which 3-4 million cubic metres of pollutants would be deposited and subsequently filtered down into the soil.

The Czechoslovak side has dismissed the environmental damage involved as being not dangerous.

Hungary proposed setting up a trilateral committee of experts from the European Community, Hungary and Czechoslovakia to assess the outcome of earlier ecological surveys and make proposals to the two governments.

The Hungarian side asked its partner to stop rechannelling the Danube for the duration of committee work.

As the proposal has been left unanswered and works continued on the Slovak side, Prime Minister Jozsef Antall repeated the Hungarian suggestions in a letter to his Czechoslovak counterpart Marian Calfa.

In his reply, Calfa announced the continuation of unilateral works aimed rechannelling the river, thus calling into question the validity of the 1977 inter-state agreement, Madl said.

The endangerment of ecological values continues, and the river diversion runs counter to the Paris Peace Treaty, the Danube Convention and the bilateral border agreements.

'Given the circumstances, the Hungarian Government finds itself compelled to cancel the agreement,' Madl said.

To avoid tension between the two countries and make possible a meeting of the trilateral expert committee, the Hungarian Government has requested Antall to send another letter to Calfa outlining the Hungarian position and announcing that the 1977 agreement will be abroated if no positive response is received from the Czechoslovak side within a reasonable time.

In the letter, Antall will also express the government's readiness to work together with the Czechoslovak partner towards eliminating the consequences arising from cancellation of the agreement, and to conclude a new inter-state accord with due regard to ecological considerations.

The government will inform the foreign governments and international organizations, among them the United Nations Organization, the European Community, the Council of Europe, the members of the Conference on Security and Co-operation in Europe and the Danube Commission about the Hungarian position and seek their help for halting works on the Czechoslovak side.

Finally, Ferenc Madl announced that the government will ask parliament to take a stand on its planned measures early next week.

In reply to a question, Ferenc Madl, Hungarian minister without portfolio in charge of the Gabcikovo-Nagymaros dam, said he was still optimistic that the Czech and Slovak side would accept the reasonable proposals and Hungary would not have to analyse the situation brought about by the construction of the reservoir and the diversion of the Danube.

The Hungarian State will grant a tax-free monthly allowance to those who became invalid or the heirs to those who died between March 19, 1944 (the date of Hungary's occupation by Germany) and December 31, 1963 (general amnesty after the 1956 revolution) for political reasons. The government approved the related draft law in its Thursday session. Tamas Sepsey, titular state secretary and president of the National Compensation Office, told the news conference.

Under the bill, those who were disabled by members of the fascist Hungarian Arrow Cross Party or the Soviet troops in 1944-45, or became disabled in POW camps are eligible for a monthly 5,000 forints. The widows or descendants of those who were killed by the fascists or the Russians or died in POW camps are eligible for 2,500 forints a month.

The civilian victims of the 1956 revolution and their heirs are eligible for similar allowances.

The same provision relates to Hungarians and their heirs who were persecuted and disabled abroad for their nationality and now are living in Hungary.

The bill envisages a 5,000-forint monthly allowance for those deported in the Second World War (mainly Jews, in a smaller part gypsies, and some anti-German politicians and soldiers).

Those who violated human rights, joined the state security authority after 1945 and took part in the oppression of the 1956 revolution are excluded from the scope of the law.

Antall Meets With EDU Committee Members

LD2102220992 Budapest MTI in English 2000 GMT 21 Feb 92

[Text] Budapest, February 21 (MTI)—Hungarian Prime Minister Jozsef Antall, president of the Hungarian Democratic Forum and EDU [European Democratic Union] vice-president, hosted a lunch in honour of the members of the executive committee of the European Democratic Union (EDU), in Budapest on Friday.

Antall discussed the political challenges which the European Democratic parties will have to face in the coming years, in the wake of the dissolution of the Soviet Union and the collapse of international communism.

The prime minister specially noted the effects of the disappearance of the negative modells of the "existing socialism" on the development of European party structures, the guidelines of the individual parties, as well as the international relations and recognition that the post-communist parties of Central-Eastern Europe will seek in the future.

Present at the lunch were Austrian Foreign Minister Alois Mock, president of EDU, and Thomas Jansen, general secretary of the European People's Party. Foreign Minister Geza Jeszenszky was present on behalf of the Hungarian Democratic Forum, and Minister of Welfare Laszlo Surjan, president of the Christian Democratic People's Party, on behalf of the CDPP. This was the first time that the EDU executive committee held its session in the Hungarian capital.

Analyzing European integration, the EDU conference welcomed the decisions taken by the Maastricht summit on setting up the European Union, and expressed satisfaction that Europe will be open towards all democratic states of the continent in the spirit of the Rome concord. EDU also welcomed the associate contract concluded by the Visegrad three—Hungary, Poland and Czechoslovakia—with the European communities, terming this an important step on the road to full membership.

With respect to the Yugoslavian conflict, the EDU session noted the international recognition of Croatia and Slovenia has not solved all the problems of the disintegrating Yugoslavia. It thus called on the European states and the United Nations Organization to continue their efforts to create a lasting peace order in the region.

The acting body proposed the acceptance of several Central-Eastern European parties into EDU. The new applicants include Bulgarian, Slovene and Czechoslovakian parties.

Foreign Minister Geza Jeszenszky said the Hungarian Democratic Federation of Romania has also asked for membership. The acting body took the general stand that parties of an ethnic character should not be full members of EDU. As, however, the Hungarian Democratic Federation of Romania is a political organization with a people's party character, open to other ethnic group as well, EDU will ensure an observer status to it for the time being. The possibility of full membership will be examined later on.

Habsburg Affirms Move Toward EC Integration

LD2302183492 Budapest MTI in English 1917 GMT 22 Feb 92

[Text] Budapest, February 22 (MTI)—"The single European market will come about on January 1, 1993, a mere ten months from now. This will be world's most significant economic force, thus Hungary should prepare for its membership in the EC amidst new dimensions," said Otto Habsburg, president of the Pan-European Union and leader of the Hungarian section of the European Parliament. Habsburg was addressing a forum held on Saturday in Nagykanizsa, South-West Hungary.

The politician added the road leading to the community will be difficult, but should be accepted as security acquired in this manner can have significance for Hungary's future.

Habsburg noted that his fellow representatives and he himself will do everything in order for Hungary to be able to join the Community at the earliest possible date. The related talks could open in 1993. On the other hand, society and, within this, economy, should be brought into complete balance. Habsburg noted transformation was progressing successfully in Hungary.

Romania's Criticism of Foreign Policy Rejected

LD2202000492 Budapest Kossuth Radio Network in Hungarian 2100 GMT 21 Feb 92

[Report by Tibor Bogdan in Bucharest]

[Text] The Romanian Foreign Ministry has noted with concern the statement by Lajos Fur in Miskolc and the interview with Geza Entz published in MAGYAR HIRLAP. According to Bucharest, both texts contain revisionist ideas .

According to a statement issued by the Romanian Foreign Ministry, the statement by the Hungarian defense minister and deputy chairman of the Hungarian Democratic Forum—that the defense of all Magyars living in the Carpathian basin is an inseparable part of Hungarian national security—reflects policies and ideas incompatible with international legal principles. In addition, he is using strange concepts; for example, the linguistic nation. This statement conflicts with geographical reality if the presence of Magyars is extended to the whole of the Carpathian basin.

Romania thinks it unacceptable for a state to undertake the protection of the citizens of another country. In addition, the existence of the Magyar minority in Romania is not threatened, as is well demonstrated by the fact that this ethnic group increased in numbers in

line with the whole population of the country. Therefore, Lajos Fur's words are in fact an attack on the legal state being built in Romania.

Geza Entz displays similarly strange logic. He regards the defense of minorities living in Hungary and outside its borders as the task of the Hungarian Government and of the Secretariat for Magyars Outside the Country, the institution he himself heads. His statement that Magyar ethnic groups living outside the country are an integral part of the Hungarian nation is unacceptable. The generally accepted European norm is that minorities belong to the state in which they live.

According to the Romanian Foreign Ministry's statement, the two statements suggest that these are viewpoints formulated at government level, particularly as neither politician made a point of emphasizing whether or not their statements were made on behalf of their party or merely their personal views.

All this confirms the feeling among the Romanian public that responsible members of the Hungarian Government treat relations with Romania from the viewpoint of territorial claims and thereby encourage action both by extreme nationalist Romanians and extreme nationalist Magyars in Romania.

At the same time, the two statements prove that the explanatory statement by the Romanian delegation attending the Prague conference was not without foundation, as the facts demonstrate that there are very real dangers of national minorities being used for revisionist aims.

Finally, the Romanian Foreign Ministry notes the determination of the Bucharest government to do everything possible to normalize relations between the two independent and sovereign neighboring countries and to develop contacts based on international legal principles.

Police Deny Romania's Allegation of Assault

AU2502100392 Budapest MTI in English 1902 GMT 23 Feb 92

[Text] Budapest 23 Feb (MTI)—The police headquarters of Hajdu-Bihar County, eastern Hungary, on Sunday firmly denied reports carried by Romanian Television, whereby police had assaulted Romanian citizens in the county seat, Debrecen.

Speaking to MTI, the acting duty officer of the county police headquarters said police asked for identification from 21 foreign citizens at the Debrecen railway station on Thursday, February 20. In the course of this, it became clear that 13 Romanian and 5 Russian citizens did not have financial coverage for their stay in Hungary, and had no relatives or acquaintances in Hungary who could ensure their accommodation and care.

The foreigners concerned were thus taken to the police station, and their residence permits were withdrawn. As they had no money for return travels, the police took the Romanian citizens by police cars to the border station in Artand, the Russians to the Zahony border station. The foreigners then left Hungary's area.

Minorities Reject National Minority Bill

AU2502101892 Budapest NEPSZABADSAG in Hungarian 21 Feb 92 p 3

[Unattributed report: "Hungary's National Minorities Reject the Bill"]

[Text] As we reported, the roundtable of Hungary's national and ethnic minorities has rejected the bill on national minorities, recently passed by government. The statement of the roundtable follows:

The bill on national and ethnic minorities discussed and passed by the government on 6 February 1992 is unacceptable to the national and ethnic minorities of Hungary.

The proposals fundamentally violate the previously achieved consensus between the representatives of the government and the minorities. The main differences are:

1. It applies rules that discriminate against certain minorities, thereby violating the principle of equality before the law.

2. The new provisions of the bill on national minority self-governing bodies that deviate from the consensus exclude the majority of the national minority population from practicing the constitutional right to a self-governing body; in fact, certain minorities are completely deprived of this right.

3. It does not resolve the parliamentary representation of national minorities.

4. It does not contain actual material guarantees.

5. Compared to the consensus, it considerably narrows cultural autonomy.

6. Certain provisions of the bill carry the seeds of increasing conflicts of interest between the minority population and the local governments on the one hand, and between the minority and the majority population on the other hand.

The proposals that were outlined at international forums—including the Council of Europe in Strasbourg—and were welcomed by them, is not the same as the current bill.

The national minority roundtable is turning to the public, Parliament, and the political parties in the interests of finding a solution acceptable to everyone, including the most interested sides.

Serbian Official on Discrimination

LD2302173992 Belgrade TANJUG in English 2054 GMT 23 Feb 92

[Text] Budapest, Feb 22 (TANJUG)—Representatives of national minorities and ethnic groups in Hungary together rejected the bill on national minorities.

The representatives of non-Hungarian groups in the country have decided at a round table in Budapest to reject the bill, assessing that it deviated from their previous agreement with the government.

A special government commission, which worked on the coordinated draft law since last December, has considerably changed its sense at the expense of the minorities, as the announcement handed to the media sets out.

The secretary of the round table and vice-president of the Democratic Alliance of Serbs, Petar Lastic, told the daily MAGYAR HIRLAP that the participants in the round table were forwarded a bill considerably different from the text the Hungarian Government submitted to the Council of Europe and was complimented on.

Lastic said that the draft law 'violates the principle of legal equality', because the ethnic minorities are discriminated against, i.e., not mentioned at all, although there are nearly one million Romanies and Jews living in Hungary.

The ethnic minorities are denied the right to elementary education in their mother tongue, as well as the right to be represented by a representative, without the right to vote, in the interim period until 1994.

The Hungarian Government announced that the draft law would soon be submitted to the parliament for adoption.

There are meager chances that the bill will be adopted, because it would need a two-third majority, and the opposition parties have taken the stand that they will vote only for a bill supported by representatives of ethnic and national minorities.

Smallholders' Torgyan Addresses Legislature

LD2402212592 Budapest MTI in English 2038 GMT 24 Feb 92

[Text] Budapest, February 24 (MTI)—In an unscheduled address at today's parliament session, Independent Smallholders' Party (ISP) President Jozsef Torgyan announced the ISP's leaving the three-party ruling coalition.

The resolution was passed by party leaders loyal to Torgyan during a weekend session.

Only 12 members of the ISP have withdrawn from coalition. The remaining 33 members remain part of the coalition loyal to Prime Minister Antall's party.

Torgyan said the ISP will sue everyone refusing to accept the party leadership's decisions on expelling 35 of the party's 45 MPs [members of parliament], including ministers and state secretaries from the ISP.

In Torgyan's view, no genuine political change has taken place in Hungary: It is only the circle of those exercising power that has changed. For this he laid the blame with the largest ruling party, the Hungarian Democratic Forum.

In another unscheduled address, ISP MP Jeno Gerbovits, earlier minister without portfolio, attacked Prime Minister Jozsef Antall, who "refused to hold talks (with him) because (he) failed to vote in favour of the state budget."

Antall gave no response to the addresses. On a Sunday night news programme of the Hungarian television, he said the coalition is stable.

ISP parliamentary faction leader Emese Ugrin, head of the 10 MPs still loyal to Torgyan, officially announced the forming of the ISP faction.

Later, parliament started discussion of pension raises.

Statement on Opposition Role

LD2402203792 Budapest Kossuth Radio Network in Hungarian 1410 GMT 24 Feb 92

[Resolution passed by the Independent Smallholders Party, FKgP, read by Chairman Jozsef Torgyan, at the National Assembly session in Budapest—live]

[Excerpts] Esteemed House: As chairman of the Independent Smallholders Party [FKgP], permit me to present to you the resolution passed by the party's national leadership on 21 February 1992.

A declaration of position adopted by the FKgP: The FKgP national leadership has analyzed the situation in our country. It concluded that changes to the system have taken place only at the highest levels of power. On the pretext of changing the system, what is actually happening is a preservation of power and fortunes. As a result, society has become indifferent and the creative strength of the nation has remained subdued. Social and economic tensions have increased, and moderating measures have no effect.

The most important steps taken to restore a civil order based on private ownership of property did not bring the expected results. The settling of this issue has resulted in an unbalanced solution: privatization—in the absence of a general concept—is taking place mainly at the expense of the nation. All this has led to further deterioration in our economic position in which many people are feeling uncertain about their life and livelihood. Except for a small group in Hungarian society, all strata are dissatisfied. No effective forms, methods, and instruments of coordination have been established. No suitable economic regulatory system has been established.

There have been some achievements in the field of foreign policy, but we could not resolve our relations with most of our neighbors on a mutually acceptable basis. Our country is facing a series of crises. Responsibility for this situation rests with the government.

On several occasions, the FKgP has attempted to assert its political ideas within the government coalition. Each attempt was frustrated by the top leadership of the Hungarian Democratic Forum [MDF]. A coalition government existed neither in form nor in content.

The FKgP owes a responsibility to its members and electors. It must alwasy follow its traditional principles and politics, it must keep its promises. In the interests of acting accordingly, the FKgP has decided it does not wish to participate in the politics that are ruining the nation. Therefore, on 21 February 1992, it left the government coalition. The party declares that as an opposition force, it will campaign consistently for supporting our people, for real change in the system, and for a working democracy visible to all.

[Signed] The FKgP National Leadership
[Dated] 21 February 1992, Budapest

Thank you for your patience.

Now that you have listened to the decision of the FKgP's national leadership, allow me perhaps to add a few words.

From certain directions the question has come up as to whether the FKgP's national leadership can legally make statements on the decision in question or not. In fact, several people alluded to the fact that the leadership has no legitimacy. Well, I draw the attention of those who think they can question the legitimacy of our National Board session—held on 11 January 1992—to the fact that they have forgotten one thing; namely, the FKgP's present leadership was elected at the National Board session held on 29 June 1991 by an unprecedented majority. Therefore, the legitimacy of the present leadership can in no way be questioned. The present National Board has legitimacy merely with respect to leaving the coalition; but let me observe that on this issue, the overwhelming majority of our membership had also asked, in writing, that we withdraw from the coalition. [passage omitted]

Therefore, regarding the problem of the legitimacy of the so-called FKgP parliamentary deputies—that is, in a given case another person, perhaps even a flag-bearer of the MDF, should be allowed to say who the real members of the FKgP faction are—I respectfully draw the attention of these people to the fact that to all those people who allege that persons who have been expelled from the party are the FKgP deputies or that they are authorized to make statements in the name of the party, I state that we will initiate civil proceedings against them for unlawful use of the name. [passage omitted]

Democratic Forum Official on 'Falsified' History

AU2402132292 Budapest NEPSZABADSAG in Hungarian 20 Feb 92 p 4

[Unattributed report: "Fur Views Identity of Hungarians"]

[Text] On 18 February, in the central office of the Hungarian Democratic Forum [MDF] in Bem Square in Budapest, in the framework of the MDF academy, Defense Minister Lajos Fur [deputy chairman of the MDF] gave a one-hour lecture on people's distorted views on being Hungarian. In his introduction he said that as a politician, he had less opportunity to follow his old scientific themes in the last few years.

In his lecture, Fur emphasized that from the end of the 1940's until 1990, 3,000 years of Hungarian history was intentionally falsified to serve the current interests of the state party's politics. It was hammered into people, especially the young, that history had only been a preparation for the previous century and mainly for the history of the labor movement. He emphasized that in the Middle Ages, we were one of the peoples of Europe most successful in military capabilities both in the defense of the country and in occasionally acquiring additional land. Heroism, an outstanding national quality, continued to prevail until the end of World War I.

Lajos Fur spoke about the most striking example of falsified history: the suppression of the results of the Trianon peace dictates and the false presentation of the Hungarian state's national minority policy.

Walesa Threatens To Suspend, Dissolve Parliament

LD2402185492 Warsaw PAP in English 1821 GMT 24 Feb 92

[Text] Warsaw, Feb. 24—During a meeting with editors of the NOWY SWIAT daily on Monday [24 February] President Walesa declared again that he would like to close the period of fighting and start the period of building "to make Poland a normal country".

Walesa explained that he had met with the OPZZ (All-Poland Alliance of Trade Unions) and editors of the POLITYKA weekly recently not to look for support for himself as a president but in order to draw attention to essential problems that need solution. "The future and not the past should be our goal," he stressed in reply to the charge that he was returning to the concept of a thick line. "People gulity of crimes and decisionmakers who should be brought to account form no more than 5 percent of society", he opined.

Accused of showing too great a support for Polish left wing forces President Walesa retorted that the existence of the left wing in Poland was a fact which should be recognized. "Elimination of anybody means a loss, winning him over means a success," he stressed.

The president criticised Polish political elites and declared he would "turn to the masses" or "dissolve parliament, strengthen government and ask for decrees" were democracy to fail in Poland. He also spoke of a possible suspension of parliament's activity if it fails to adopt the budget, elect chairman of the NIK (Supreme Board of Inspection), appoint Head of the NBP (National Bank of Poland). The president made such solution dependent on the approval of Polish society.

Walesa Signs Provisional Budget Law, Others

LD2202084592 Warsaw PAP in English 2243 GMT 21 Feb 92

[Text] Warsaw, Feb. 21—President Lech Walesa Friday [21 February] signed the January 25, 1992 law on provisional budget covering the period from January 1 to March 31, 1992 and the January 30, 1992 law amending the law on the valorization of members' shares in cooperatives and amending other laws, the president's press office said.

Walesa also ratified the interim agreement on trade between Poland and the European Economic Community and the European Coal and Steel Community, drawn up in Brussels on December 16, 1991, the president's press office said Friday.

President To Give Poles Money for Investment

LD2302211692 Warsaw PAP in English 2004 GMT 23 Feb 92

[Text] Gdansk, Feb. 23—Polish President Lech Walesa reiterated on Sunday [23 February] his electoral concept to give Poles 100 million zlotys ($8,700) each for investment.

Speaking to newsmen before his departure from his native Gdansk for Warsaw, Walesa opined the proposal was the only way out for Poland. "Active people, even if they are unemployed now, must be given a chance to join in building Poland," he stated.

The president also called for ending disputes among trade unions and said he was going to propose a meeting of union leaders in a short time.

As regards the dramatic condition of public finances and the vacancy at the post of president of the National Bank of Poland (NBP), Walesa declared he was going to raise the problem at the nearest Sejm (lower house) sitting. "If I am unable to fulfil my constitutional duties, I will draw far-reaching conclusions from that," he warned and added that Hanna Gronkiewicz-Waltz, already rejected once by deputies, remained his candidate for NPB president.

Olszewski States Objectives, Concerns

AU2102151592 Warsaw ZYCIE WARSZAWY in Polish 18 Feb 92 p 3

[Interview with Prime Minister Jan Olszewski by Agnieszka Romaszewska-Cuzy and Piotr Skwiecinski in Warsaw; date not given: "Society Is More Mature Than the Political Hierarchy"]

[Text] [ZYCIE] Since becoming prime minister, you have stated several times that you knew the country's situation was bad, yet certain aspects of it took you completely by surprise. What were the greatest positive or negative surprises?

[Olszewski] The havoc regarding the use of public funds has exceeded my expectations. I was surprised that for several weeks, the head of government was incapable of establishing what the budget's commitments are, these commitments amounting to trillions, not billions, of zlotys. We may assume with a fair degree of accuracy that the budget deficit is not 31 trillion zlotys [Z], but Z51 trillion. And that was the biggest negative surprise.

A positive surprise, on the other hand, is the degree of confidence and cooperation we have managed to achieve in a broad cross section of society, as is seen in the meetings with the dock workers of Gdansk and Szczecin, among other things. The media kept quiet about that. They have little mercy toward us, much less than toward the previous governments.

[ZYCIE] Your government has been criticized many times for not having prepared an economic program. Did you really make no plans?

[Olszewski] Every single political group that went to the polls had an economic program in some form or other. When the government took office, however, it transpired that the economy was in such a mess that no previously prepared program could possibly help. The devastation was far greater than we thought. As a result, we could not implement a rescue program immediately. First, we had to concentrate on emergency measures. The room to maneuver turned out to be exceptionally small.

[ZYCIE] You made your first attempt at forming a government over a year ago. The proposed composition of the cabinet at that time appeared similar to the present one. The attempt to form a government failed, and the ministers-to-be suddenly found they had one year in which to prepare to assume their posts. Did your team of economic advisers make the most of this time?

[Olszewski] There was no such team. The concept of a breakthrough government disintegrated over economic issues. When I was formally entrusted with the mission of forming a new government over a year ago, the first person I approached was Deputy Premier Balcerowicz. The main reason I failed to form a government is that I could not accept the economic conditions that were dictated to me. I had no plans to be responsible for the government's economic policy. I assumed Balcerowicz would assume this responsibility.

[ZYCIE] The government commenced its work with the slogan of tidying up the structures of the state, especially the state administration. Has anything been achieved? What changes are being planned?

[Olszewski] To all intents and purposes, the administration has disintegrated. We do not want to make any piecemeal changes, particularly in personnel, in the event we make the chaos even worse. For example, we do not want to replace the voivodes unless there is a cogent reason to do so. We are, however, preparing a concept of complete structural changes, which we plan to present to the Sejm. If we are given the power to issue decrees that have the force of law, then we will implement these changes directly, without the Sejm.

[ZYCIE] Do you not fear that a failure to carry out piecemeal changes may serve to perpetuate faulty administrative structures and, in other words, to carve them in stone?

[Olszewski] They are already carved in stone, and that is why it is necessary to deal with them on a broad scale. Of course, we are making personnel changes on a continuing basis, but we wish to avoid a drastic purge.

[ZYCIE] The judiciary is one of the cornerstones of every country, yet our Justice Ministry has practically no money to perform its basic functions.

[Olszewski] It is essential to make emergency adjustments to the budget. When the previous government drafted the provisional budget, it failed to guarantee the Justice Ministry the means to perform its work. Even more important are changes to its structure. The prosecutor's office must become a de facto government agency.

The situation with the judiciary is also bad. The judicial apparatus has become autonomous to such an extent that its efficiency has decreased. The justice minister has lost his influence not only on actual jurisdiction, but also on the administrative work of the courts, and yet this influence is normal and desirable in a democratic state. Courts take months to begin certain cases and enormous backlogs of work occur, which only serve to expose the growing inefficiency of the judicial apparatus.

[ZYCIE] You are a member of the executive authorities of the Center Accord, but some of its leaders have been dissociating themselves from your policies. Now it is said that your political reference is the Christian-National Union, whose leaders are your friends.

[Olszewski] It so happens that the leaders of many political groups are my friends, and yet the programs of these groups diverge greatly. I left myself open to criticism from many of these people when I took part in the formation of the Center Accord in the spring of 1990. At that time, I thought that an acceleration of democratic changes in Poland was essential. I belonged to the Center Accord's Political Council, but left when the Conference of Citizens Committees asked me to represent it in the election coalition, to which the Center Accord also belonged. After the elections I was appointed prime minister, so I never returned to the executive level of the Center Accord.

[ZYCIE] It is generally believed that the shape of the Polish political scene is by no means final and many changes will have to occur. New formations and groups are bound to appear. There is a lot of talk about a "Christian-people's movement."

[Olszewski] What Poland needs is political formations with a concrete programmatic and ideological profile. There are no such formations at present. What we have are groups with superficial programs and inconsistent ideological principles. Most of all, we have a very fragmented political scene. I think changes here are inevitable and essential. This process will probably take place on two levels. The first one is the present Sejm, in which permanent interparty alliances will form. But outside parliament, the process will be more subtle, eventually leading to permanent political formations. One such formation will certainly be a Christian-Democratic one which, in Poland, may be a little further to the left than would otherwise be the case.

There are after all social milieus that must arrange their own political representation. I am thinking of the worker community in particular. Until now, this community was represented by Solidarity, but Solidarity is a trade

union and does not want to play the role of a political party. The new Christian-people's formation could also represent the interests of the workers, especially if it adopts the Christian social option.

[ZYCIE] It is all very well to talk about such a political formation with you in private, but if this formation were ever created, would you be willing to express your ties with it in public?

[Olszewski] It is not the government's task to create political parties, but, needless to say, I personally am ready to encourage such a process.

[ZYCIE] The possibility of expanding the government coalition is a hot topic these days. Are you in favor of this?

[Olszewski] There is no such thing as a "government coalition" in the strict sense; all there is is political support for the government inside parliament. This support is not too institutionalized, hence the ideas about expanding it. Obviously, the strongest groups outside the government are considered whenever there is talk of expanding this support.

I will not rule out the possibility of expanding the government's political base. From the very beginning I said I want to cooperate with all responsible forces sitting next to each other in the Sejm. But I want this to be a programmatic alliance and that is why, first of all, the government must present its own program. I would like individual parties to adopt a position vis-a-vis this program and not just say that so many ministers or voivodes support or oppose it.

I am not saying that there should be no personnel changes. I think there are many such changes in store. When hiring people, however, one should concentrate on their objective merits and not on the recommendations of their parties.

[ZYCIE] You say that, first of all, a government program must be presented, and only then can one talk about an expansion of the government. That places potential partners in a very unfavorable situation. As members of the government, they would be implementing a program over whose formation they had no influence whatsoever.

[Olszewski] I am not saying that this program will be our final word. It will be an offer to the Sejm and to political groups. In the debate on the subject of the program, we will remain open-minded but will insist on certain principles and refuse to abandon them. For example, we will not permit the budget deficit to be increased beyond a certain safe limit. In any case, we are prepared to consider any intelligent proposals.

[ZYCIE] Those in favor of expanding the government say that the situation is so serious that the government should win over all the responsible pro-reformist groups that are currently represented in the Sejm. Do you agree?

[Olszewski] You keep talking about a "government of national salvation," but I think such a government is premature and insufficient in the present situation. Right now it is necessary to halt the country's descent into anarchy. A government of national salvation would also have to be a government of national confidence. Without that confidence, it would not be able to save anything. Right now the government can only rely on national confidence. We do not have any other capital, but if the only purpose is to preserve the government's position inside parliament, then the expression "government of national salvation" is too strong.

[ZYCIE] Do you mean to say that an expanded government would lose its social support?

[Olszewski] It may even gain support. A clear program, however, is a condition for this support. Even if the strongest groups in parliament were to form a government, they would have no support from society if they proved incapable of putting together a clear joint program. Society would think that such a government's only aim would be to cling to power.

The government should try to implement the will of the electorate, even that part of the electorate that did not bother to vote. I think the nonvoters refused to vote as a protest against the fuzziness of the situation, in which the most varied parties, ranging from a party of beer drinkers right up to a party of friends of the Soviet Union, were treated on a par with groups that had a complete ideological program.

[ZYCIE] Are you saying that postcommunist groups should have no right to take part in elections?

[Olszewski] No, I am not. But I think that the fact that two-thirds of the electorate did not vote was also a protest against the election code, which favored postcommunist and frivolous parties. These parties were also encouraged by the general situation, because no newly emerging party had any chance of creating a financial base for itself.

[ZYCIE] You have said many times that it is necessary to create a classic parliamentary-governmental system of authority in Poland. Do you think the president would accept it? It would give him very little power.

[Olszewski] The exact extent of the president's powers is not clear right now. The office of president was created at a time when the communist system was on the verge of making a few limited concessions to society. The presidency was supposed to be a last resort, a safety belt rescuing the interests of communist governments. That is why the powers of the head of state were never clearly defined. But out of these ambiguous rules one can derive far-reaching powers. Conversely, on the basis of these rules one can say that the president has no powers at all; for example, on the basis of this same set of rules, one can conclude that the powers of the president concerning internal and external security are either very great, or nonexistent.

The president's position until now was based mainly on the fact that he was the first to be chosen in a free election.

[ZYCIE] But would the president, who wants to extend his powers, accept a situation in which his powers would be very modest?

[Olszewski] That has already been proved empirically. Last year he did accept far-reaching restraints on his powers imposed by a parliament that still had no democratic identity. At that time, the president was the only authority in possession of a social mandate won in a free election. I think that entitled him to play a far more powerful role, but he preferred to exercise restraint.

The system of parliamentary democracy is a Polish tradition and should be in force when we finally become a normal country. At the same time, I think that in a transitory stage, when domestic and external treats are great, the powers of the president should be even greater than they are at present. I think this should be reflected in a "small constitution."

[ZYCIE] In one of his latest interviews, Jaroslaw Kaczynski described you as a politician who believes in the wisdom of the people. It is not clear whether that is a compliment or not.

[Olszewski] I do not feel flattered. I think Polish society displays a considerable political instinct and a readiness to make far-reaching sacrifices. It is more mature than its political hierarchy.

In our situation, social confidence is the government's only asset. This confidence must, however, be mutual. If someone trusts me, I have to trust him as well. That also applies to relationships between the rulers and the ruled. That is why politicians get a negative opinion when they say it is naive to count on society's wisdom.

Solidarity Rejects Economic Policy Document

LD2002215692 Warsaw PAP in English 1841 GMT 20 Feb 92

[Text] Warsaw, Feb. 20—The Solidarity team of negotiators on socioeconomic affairs said during talks with a government team on Thursday [20 February] that the government's socioeconomic policy for this year is not acceptable in its current form.

"This document gives the impression of having been worked out hastily and incompletely. Many statistics are missing, concerning for instance the level of inflation for 1992, the increase in the money supply, the interest rate and the expected total of unemployed", says the written evaluation of government policy made by Solidarity experts.

The evaluation criticizes the government document for contradictions between various concrete points it contains and its main themes of halting the recession and boosting exports. The trade unionists also strongly protest against the government proposal that the energy and medicine prices should rise every quarter in step with the increase in the prices of consumer goods.

The holding of the zloty rate of exchange to the dollar at a rigid level was seen by the solidarity side as being at odds with the stated pro-export policy of the government. The lack of any measures preventing the outflow of currency abroad or combatting economic crime was also criticised.

In answer to these criticisms, Deputy Minister Halina Wasilewska-Trenkner said that she was conscious of the present dangers but that some statistics had not been given because they were very difficult to estimate in a responsible way. She added that quarterly energy price rises were less burdensome than a one off increase. The government document is a rescue plan for the following 9 months and forms a basis for further policy measures, said Wasilewska-Trenkner.

"The Solidarity negotiators did not approve of the provisions of the government 1992 socioeconomic policy, but the final decision will be made by the Solidarity National Commission," Solidarity chief negotiator Andrzej Wieczorek told reporters after today's talks. On her part, Deputy Minister Halina Wasilewska-Trenkner stated that the government would discuss the critical remarks of the unionists and present its position.

Another meeting between the government and Solidarity representatives held Thursday dealt with ways of protecting the treasury and state institutions against embezzlement of funds and corruption.

The meeting, chaired by Deputy Justice Minister Andrzej Marcinkowski and deputy chairman of the Solidarity union Janusz Palubicki, was the first in a series. After four hours of talks the minister declined any comment for the press.

Palubicki told reporters that the talks focused on why and how the uncovered financial and economic swindles bog down at the stage of investigation never reaching the courts.

At the next meeting scheduled for March 5 the government side is to provide answers to a number of questions put today by Solidarity, concerning the work of fiscal offices and chambers, the Interior Ministry, and prosecutors offices.

Palubicki said that examples of notorious economic affairs had been quoted by his team in order to demonstrate the inefficiency of inspection and prosecuting bodies, not to press for finding the culprits at all costs.

Liberal Democratic Congress Elects Chairman

LD2302170492 Warsaw PAP in English 2254 GMT 22 Feb 92

[Text] Warsaw, Feb. 22—Some 200 delegates gathered in Warsaw for the third national convention of the Liberal Democratic Congress (KLD) Saturday [22 February] to draft the party's policy for the next term and define its stand on the government socioeconomic programme, while Chairman of the KLD Political Council Jan Krzysztof Bielecki urged Liberals to form a professional party.

Liberalism is a chance for Poland, because it is based on experience and not utopia, Bielecki claimed. According to him, the Liberal movement developed in Poland throughout the past year.

Donald Tusk was elected KLD chairman. While addressing his electors he described himself as an advocate of the line pursued by the Liberals so far. This was the major difference of views between him and his deafeted rival Mazewski who was in favour of a broader Conservative-Liberal formula and setting up a coordinating committee that would be joined by Christian National Union (ZCHN) and Democratic Union (UD).

Speaking to PAP after his election Tusk said he sees the KLD in opposition to the Jan Olszewski government rather than its partner.

"I do not think that the fundamental aim of the Liberals today or tomorrow is to join the government," he declared and added that he was not sure whether his party's programme has better instruments for its implementation than last year.

Tusk, 34, a historian by education and deputy to the Sejm (lower house) was chairman of the KLD main board in the previous term.

Leader of the Democratic Union (UD) Tadeusz Mazowiecki, who addressed the meeting earlier in the day, urged the Liberals to form an alliance of pro-refomatory forces grouped round the Liberal Democratic Congress, the Centre Alliance (PC) and the UD. Mazowiecki, who was invited to address the convention, said such an alliance was the only possible solution in the present unclear situation in Poland.

The UD leader described the KLD and the UD as two programatically closest groupings, and pointed to the need for the two parties to seek to regain social confidence ruined by futile promises made during the last two election campaigns.

After the election of a 60-member main board, the convention will continue debates through Sunday [23 February], also to asses the one-year rule of the previous government led by Bielecki.

The KLD has some 3,300 members and grew by some 60 per cent over the past 9 months and now operates nationwide. It also established cooperation with kindred parties in Germany, Britain, Russia, Czechoslovakia, Austria, Sweden and France. It is member of the European Democratic Union, and has 37 deputies to the Sejm and 7 senators in the upper house of Polish Parliament.

The convention is attended by representatives of Liberal parties from Germany, Czechoslovakia and Ukraine.

Balcerowicz Interviewed on Economic Reform

AU2102125592 Krakow TYGODNIK POWSZECHNY in Polish 16 Feb 92 pp 1, 3

[Interview with Former Finance Minister Leszek Balcerowicz by Ernest Skalski; place and date not given: "I Would Not Distance Myself From the Balcerowicz Program"]

[Text] [Skalski] Leaving aside pride or false modesty, could you tell us whether there was a Balcerowicz plan or not?

[Balcerowicz] There is no doubt at all that there was a certain economic strategy and that it became known by that name.

[Skalski] To what extent do you think that the name was appropriate?

[Balcerowicz] I would not distance myself from what is called the Balcerowicz program.

[Skalski] What did the program seek to achieve?

[Balcerowicz] Contrary to what is sometimes believed, the program was not solely about curbing inflation. From the outset, it contained important elements for changing the economic system.

[Skalski] What did it produce that will be lasting?

[Balcerowicz] I hope that we have turned our backs on an economy in which there are shortages and lines forever. I do not think that any government will be tempted to pursue a policy course that would bring us back to a situation in which there are shortages. Second, I hope that we have permanently gone over to a much more appropriate pricing system, that is, one in which prices are free and suppliers have to compete. Third, I consider the convertibility of the zloty to be something lasting—I hope that that will remain so. Fourth, ownership changes have reached quite an advanced stage, especially in those areas that are most responsive to market conditions, that is, trade, services, automobiles, and construction. The situation with regard to the privatization of large industrial enterprises is worse. Finally, I believe that an important change on the fringes of the economy and politics is the creation of authentic local government. There have been fairly important developments in the state financial system: It is true that we still do not have an appropriate taxation system, but the situation at the beginning of 1992 fundamentally differs from the system that was taken over in 1989. We already have a securities exchange. There have been changes in the banking

system, although they have not gone far enough. Several dozen new banks have been established and competition has increased. We know that further changes are needed, especially regarding the structure and regulatory activities of the central bank. The question of the "bad" loans made by some commercial banks also has to be solved.

[Skalski] And these things cannot be reversed?

[Balcerowicz] For that to happen there would have to be a return to price controls and an inflationary monetary policy. Macroeconomic policy reflected—to put it in general terms—in the amount of money circulating in the economy is a important yardstick. It is surely the most political of all forms of economic policy. There is also the question of whether the amount of money will be such that it will be possible to attain a lower inflation rate than last year, which is possible, but difficult.

[Skalski] That is to say lower than 60 percent?

[Balcerowicz] I think that it is possible. However, it will require the continued implementation of a strict monetary policy, especially with respect to the budget, which is under a great strain.

[Skalski] Let us return to the Balcerowicz program. Do you think that there were any mistakes in the concept itself or in the way it was realized, and if so, then what were they? Was some other option available: a less rigid one or a more radical one?

[Balcerowicz] It depends on what level of the program your question refers to. If it concerns the program at the strategic level, then I do not see a fundamentally different concept being possible, even in two years' time. The strategy that was chosen was to realize what could be realized fastest first, this applies to changes in three areas. A deflationary policy can be pursued, if only there is a commitment to that. Restrictions can be quickly removed and, as we know, there has been a liberalization of prices and foreign trade. A convertible currency can also be quickly introduced—although that was not certain in 1989. That is to say, our strategy came down to instituting those changes that can by their very nature be introduced quickly while simultaneously starting on institutional changes that would transform structures in various areas of economic life: in enterprises, banks, the state enterprises, and the budget system. Unfortunately, these are inherently such that they can only be introduced much more slowly. That is also the case with privatization.

It was also known beforehand that a deflationary policy pursued in a situation in which the ownership structure has still to be changed must yield worse results than if private property, which we did not have, is already in existence. An alternative strategy would have entailed tolerating runaway inflation and shortages for a time while trying to advance the privatization process first. I was and still am of the opinion that that would have been a worse strategy. It would not have created more of an opportunity for implementing far-reaching institutional changes and at the same time, it would have increased the chaos in the entire economy. That is what I would have to say about strategy. As far as specific matters are concerned, with hindsight one can of course see that certain things should have been done differently. The relaxation of credit policy in the third quarter of 1990 was unnecessary. It became caught up in something that was difficult to foresee, namely, the increase in oil prices on world markets. This, together with the election campaign, resulted in a rapid increase in wages and a return to higher inflation. I also think that more of an effort should have been made to hasten institutional changes, particularly within enterprises. I not only mean faster privatization, but also more vigorous action with respect to enterprises that are permanently inefficient. It was not a good thing that there were delays in introducing the value added tax and in reforming important areas financed out of the budget.

[Skalski] Something that I found very thought-provoking was Prime Minister Bielecki's statement that the problem with governing is not so much choosing a concept, but what possibility there is of being able to realize it. Would you say that the discrepancy between the idea and what it produced in practice was great in your case?

[Balcerowicz] It was substantial in some areas. Not in those areas that come under direct control, where there was no need to galvanize large groups of people into action, that is, at the macroeconomic policy level. On the other hand, there was great resistance regarding the transformation of enterprises, with respect to both recovery plans and privatization. In August 1990, for example, there were some quite goods ideas for achieving the rapid privatization of large enterprises, but they encountered what could be called a rubber wall effect. Public resistance was also a factor. I would remind you of Wielopoliski's statement that you can do something for the Poles, but you cannot do anything with them. I think that one has to approach this characteristic of our own nation with a great deal of caution. In the end, changes have to be instituted along with society. Having said that, I would, however, also like to mention the phenomenon of passive resistance, especially in large enterprises. Besides, on the basis of past experience, the enterprises could have expected pressure on the central authorities to be more effective than actions of their own in the marketplace. So, it is no coincidence that the adjustment process was more dynamic in smaller rather than in large enterprises, where that socialist mentality is still present.

The second point worth making is that—comparing us with those countries to which we can be compared—in our country, unfortunately, the protests against change have been more extensive and more intense than in Hungary and Czechoslovakia. Hunger strikes or occupation strikes are practically unknown in those countries. On top of that, our trade unions are in a much stronger position.

[Skalski] Was there anything that was not done, although it would have been right, because of fears that there would be too strong a negative reaction?

[Balcerowicz] What could be mentioned in this respect (in contrast to Hungary) is the idea of privatization from below, that is, management buy-outs. That approach is widespread in the West. It seemed to us that the political resistance—in light of the experiences of 1989—would have been so great that there was little chance of this method of privatization gaining wider acceptance, although it is promising from the economic viewpoint. It is significant that what is known as "spontaneous privatization" in Hungary is called "giving property to the nomenklatura" in Poland. In the former GDR, 900 enterprises have been privatized this way.

[Skalski] To what extent did political developments—the war at the top, the elections—impede things?

[Balcerowicz] This is another area in which Poland has differed fundamentally from Czechoslovakia and Hungary. In those countries, elections were held at the outset, as economic programs began to be realized. In our case, an economic program was already in the process of being realized when two elections campaigns were held and the program became one of the central issues in both election campaigns. That could hardly fail to have an impact on the expectations and behavior of the economy and enterprises. We already have a third government, whereas in the case of Hungary and Czechoslovakia the same governments have been implementing their economic programs. I have heard it said that if Mrs. Thatcher had been forced to call an election two years into the implementation of her program, then she probably would have lost.

[Skalski] But neither Hungary or Czechoslovakia launched such a radical program.

[Balcerowicz] That kind of statement ignores the fact that our starting positions basically differed. The Hungarians, as well as the Czechs and Slovaks really could stabilize their economies more slowly, because they did not start out in a hyperinflationary situation, and you cannot overcome hyperinflation gradually.

[Skalski] The current political situation does not look promising, but everything comes to an end someday. What prospects are there for getting out of the current situation?

[Balcerowicz] I fear self-fulfilling prophecies, and that is why I will not make any. On other hand, I would say that there are three criteria that have to be applied in assessing the economic programs that are being proposed.

First, a program has to be assessed from the angle of macroeconomic stability: the likelihood of it reducing inflation, preserving the convertibility of the zloty, and maintaining general economic equilibrium.

The second important yardstick is whether it will seek to maintain competition or not. Without competition, reform within enterprises will not succeed.

The third issue is the position that is taken on state enterprises. I think that it would be a fundamental mistake for the state to be the agency effecting restructuring over a longer period of time and on a broader scale. It is not in a position to perform that task well.

This ties in with the fourth issue—the position that is taken on privatization. I believe that an effort should be made to speed up the privatization process.

[Skalski] Has the West let us down or have we let it down?

[Balcerowicz] Neither. From the outset, our program was based on the assumption of a linkage between the state of our reforms and possible support from the West. This meant acting resolutely if we wanted special treatment form the West. Besides, these steps were justified in light of the initial situation, and receiving special treatment from the West consisted in achieving a reduction in our foreign debt above all. We gained access to foreign credits and credit guarantees thanks to the agreement with the IMF. However, what remains an open issue now is whether the new government will put forward an economic program that will allow this basic course to be maintained.

[Skalski] Unexpected changes have taken place within all the former bloc countries. Are we losing out, because we are no longer unique?

[Balcerowicz] There is no doubt that it is better to be unique, because then one can expect to be treated in a special way. I think that the reduction in our foreign debt was achieved at the last possible moment, when we were still the pioneers in instituting change. Now, the situation is much more difficult, because there are also the other countries in Central and Eastern Europe and the former Soviet republics. In seeking Western aid, we are in a sense competing against these other countries in terms of what they are doing, we have to show what we have actually achieved through implementing our economic programs.

[Skalski] You have been maintaining contacts with Russian state and economic activists for some time now. It would appear that they are more or less doing what we did two years ago, but are not having much success....

[Balcerowicz] I would say that there is a certain similarity with respect to the economic situation and the basic objective, but there are differences regarding the way in which that objective is to be achieved. It has to be stressed that the position from which they are starting is much more complicated than ours was two years ago. The Russian leadership is aware of the need to take firm steps and has started its reforms in a determined fashion. The similarities with respect to the economic situation are first and foremost an exceptionally high inflation rate

along with shortages of goods. That was true of Poland in 1989 and is now true in the case of Russia and the other republics, but it was not the case in Czechoslovakia or Hungary. That is how our eastern neighbors' starting position resembles Poland's and that is what makes us as well as them different from Czechoslovakia and Hungary. What differences are there between Russia and Poland regarding the implementation of reform? First, I would point out that in Russia prices have not been liberalized to the same extent as in Poland. There are more prices subject to administrative regulation there, which means that shortages will persist. Second, it is more difficult to pursue a strict monetarist policy course there for political reasons.

Finally, something that I believe played a key role in Poland is missing there, that is, the curbing of wage growth. If one wants to influence the rate at which stabilizing activities produce results, one has to have effective instruments for curbing inflation and eliminating shortages of goods, and that is something that we succeeded in accomplishing.

Parys Critical of Previous Defense Policy

LD2102232492 Warsaw PAP in English 2152 GMT 21 Feb 92

[Text] Suwalki, Feb. 21—During Friday [21 February] visit to a military unit in the Orzysz Garrison (northeastern Poland), Minister of National Defence Jan Parys criticized the hitherto defence policy labelling the proposed reduction of the Polish Army as "amateurish".

Parys also said that issues related to the Army were granted top priority by both the president and prime minister and stressed convergent opinions of the three of them on the Polish defence system.

Speaking about the future of the Polish Armed Forces, the minister said that Poland faces an alternative of building its own security system, remaining in isloation or forming it jointly with other countries.

"The latter possibility is the subject of talks we are holding at present with various governments", he said and added that three of them had just agreed to cooperate with Poland.

Army Ready To Join UN Troops in Yugoslavia

LD2102130192 Warsaw PAP in English 1146 GMT 21 Feb 92

[Text] Warsaw, Feb. 21—Poland is ready to sent its units to the UN peace corps in Yugoslavia in a matter of days, GAZETA WYBORCZA wrote Friday [21 February] adding that these will be transport and supply units, and perhaps also combat equipment, but did not mention the size of the contingent.

"(Polish) Army may comply with any request of the United Nations, but it is the government which has a say on the size of the contingent," Defence Ministry spokesman Lt. Colonel Ryszard Jakubczyk told the daily.

"Poland declared its political will to participate in the UN peacekeeping forces in Yugoslavia and we are expecting an invitation from the United Nations to take part in the mission in the nearest future," department director at the Polish Foreign Ministry Wojciech Ostrowski is quoted as saying.

The daily did not rule out the possibility of sending to Yugoslavia also a military-police unit equipped with armoured vehicles.

Last year Poland received from the United Nations 1,284,000 dollars for the service of Polish units in the mission in the Golan Heights. Another 103.3 million dollars was paid by the UN so far for the participation of Polish contingents in the missions in Egypt, Syria and Namibia, but the organization still owes Poland some 4 million dollars.

Also, Poland did not receive 10 million dollars for sending two hospital ships to the Persian Gulf last year, GAZETA WYBORCZA reported Friday.

Walesa Urges Nationals Abroad To Unite

LD2102090992 Warsaw PAP in English 2103 GMT 20 Feb 92

[Text] Warsaw, Feb. 20—President Lech Walesa received here Thursday [20 February] the chairman of the Union of Poles in Argentina, Paraguay and Uruguay, Mr. Jan Kobylanski, and addressing him called on all Poles living abroad to unite.

Expatriate Poles and people of Polish origin should set up their own council which would help coordinate efforts of Polish communities scattered around the world and their cooperation with Poland, said the president.

This would help promote the interests of Poles living abroad in their countries of residence, he added.

Jan Kobylanski told a press conference here Thursday that he had reached full understanding on forms and ways of contacts between expatriate Poles and their home country in talks he had with government ministers and the president. He described his talks as "concrete and positive."

Kobylanski headed a delegation representing 34 Polonian organizations in the three South American countries.

Serbia's Jovanovic Pays One-Day Official Visit

Views Issues With Skubiszewski

LD2402174292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1549 GMT 24 Feb 92

[Text] Warsaw, 24 February (TANJUG)—Vladislav Jovanovic, Serbian minister of foreign affairs, said after today's talks with Polish Foreign Minister Krzysztof Skubiszewski that stress was laid on the wish of both sides that bilateral cooperation in all fields be stabilized and expanded as soon as possible.

Replying to questions from domestic and foreign journalists, Minister Skubiszewski said that the question of the recognition of Serbia was not raised during the talks because, he said, Serbia is part of Yugoslavia, with which Poland maintains normal interstate relations. "We have diverse cooperation with Serbia, and almost half of our total trade with Yugoslavia is connected with this republic. This cooperation should be strengthened because Serbia is for us a significant partner, and not only an economic partner," Skubiszewski said.

During today's talks most attention was devoted to the problems of the peaceful resolution of the Yugoslav crisis. Skubiszewski said that Poland has expressed its readiness to participate in the UN peacekeeping forces, adding that Minister Jovanovic stated that Serbia supports this proposal of Warsaw's.

Asked how he assesses Poland's decision to recognize Croatia, Minister Jovanovic said that from the beginning of the crisis Serbia has taken the view that no republic's independence can be accepted prior to the successful completion of The Hague Conference. "In the first instance all problems caused by secessionism in Yugoslavia ought to be resolved, and then the new independent states should be recognized by Yugoslavia, and only afterwards by other countries. Unfortunately the EC decided to prematurely recognize Slovenia and Croatia, and this can in no way be considered a contribution to the preservation of peace and stabilty."

Minister Jovanovic added that this is not the view only of Serbia but also of the United Nations, the United States, and Lord Carrington himself. "Poland decided to follow the policy of the EC because of its broader interests in cooperation with this Community. We regret this action, but we also understand Polish motives, which are in no way anti-Yugoslav; this is also evident from the fact that Warsaw recognizes the continuity of Yugoslavia in its remaining areas and is continuing full cooperation with it."

During his one-day working visit, Minister Jovanovic will have talks with representatives of the Sejm and the Senate. Prime Minister Jan Olszewski will receive him this evening.

Holds Briefing, Assesses Trip

LD2502092992 Belgrade TANJUG in English 0019 GMT 25 Feb 92

[Text] Warsaw, February 24 (TANJUG)—The crisis in Yugoslavia is getting on the track of peaceful settlement, Serbia's Foreign Minister, Vladislav Jovanovic, told his press conference here this evening. This also is proving the worth of Serbia's peaceful policy in a clearer, much more understandable and acceptable manner.

On this occasion as well, Poland reiterated its support for safeguarding Yugoslavia's continuity and subjectivity, Jovanovic pointed out.

Minister Jovanovic stayed on a one-day visit to Poland at the invitation of his Polish counterpart, Krzysztof Skubiszewski.

"According to Mr. Skubiszewski, Poland feels interest in solidifying, not weakening stability in our region, and so in that sense received was our explanation," Jovanovic went on, "our information relative to Montenegro's and Serbia's stand to live on together in Yugoslavia and open the door for other Yugoslavia's peoples and republics to join that, if they wish so."

Jovanovic voiced his regrets at seeing "many countries, not Poland only, being quick to reward one-sided secessionism, illegal acts and one part of a state acting against its constitutional order." Serbia feels affected when such acts are rewarded by close and traditionally friendly countries like Poland, Jovanovic added.

"Not only in question is our emotional response, but also our deep-felt conviction that upholding one-sided secessionism means playing with fire on the European continent," he remarked.

Poland "has decided to follow the European Community's policy by reason of its broader interests and cooperation with that community." Serbia [words indistinct] for Poland's doing like that, but understands Poland's motives which "are not anti-Yugoslav ones as seen [word indistinct] the emphasis that Warsaw recognizes Yugoslavia's [word indistinct] in its remaining part and continues full cooperation," he said.

Daily Claims Soviets Selling Black Sea Fleet

LD2202093392 Warsaw PAP in English 0751 GMT 22 Feb 92

[Text] Warsaw, Feb 22 (TANJUG)—The Polish daily ZYCIE WARSZAWY claims that a mysterious joint-stock company, in which ranking Soviet officers have share capital, is selling war ships of the Black Sea Fleet.

The Warsaw daily founds its claim on a document given to the reporter by a "ranking official in the entourage of Ukrainian President Leonid Kravchuk."

The document indicates that the joint-stock company, Nevikon-Sued, which was set up last November, has

been granted the exclusive rights of sale by the commander of the Black Sea Fleet, Admiral Igor Kassatonov.

The stock-holders of the company are the firm Nevikon of Moscow, which holds 51 percent of the capital, and the Black Sea Fleet, as represented by Vice-Admiral Vassiliev, with 49 percent.

Interest is the greatest in the 15 submarines, which have mostly found buyers, writes ZYCIE WARSZAWY. There has been no difficulty, either, with the sale of the cruiser Zhdanov, which the Kiev document indicates has been sold to India for 2.2 million dollars.

ZYCIE WARSZAWY adds that the "sale of the Black Sea Fleet is proceeding without Ukrainian control, which fleet commander Admiral Kassatonov has refused to submit to."

Skubiszewski Returns From Visit to Germany

LD2202180292 Warsaw Radio Warszawa Network in Polish 1500 GMT 22 Feb 92

[Text] Foreign Minister Krzysztof Skubiszewski returned to Warsaw following a two-day visit to Berlin and Frankfurt. The head of Poland's Foreign Ministry held talks with President Richard von Weizsacker. After landing at the Warsaw's Okecie airport, Minister Skubiszewski told our correspondent:

[Begin recording] [Skubiszewski] We discussed bilateral relations, which are very good, and discussed them in terms of our relations with other European countries and [word indistinct] because bilateral cooperation with Germany is also connected with cooperation with other states, particularly France and EC members. We talked about Poland's close association with the EC. President von Weizsacker showed interest in our relations with our eastern neighbors: Russia, Ukraine, and Belarus. We also spoke about President Walesa's visit to Germany, which will take place shortly.

[Unidentified correspondent] Has [words indistinct] a specific date for the president's visit?

[Skubiszewski] Yes, a date has been set. [end recording]

Affirms Need for Economic Development

LD2202231492 Warsaw PAP in English 1948 GMT 22 Feb 92

[By PAP correspondent Jerzy Hernik]

[Text] Berlin, Feb. 22—The Polish foreign minister told newsmen in Berlin Saturday [22 February] that signs of nationalism along the Polish-German border are a marginal phenomenon and have no influence on good Polish-German relations on all planes. Krzysztof Skubiszewski also said there was only a need for the police to take more decisive steps in this respect.

While addressing a press conference here on the last day of his short visit to Germany, Skubiszewski said greater commitment on the part of foreign investors and EC support were necessary to promote economic development of border regions. Representative of the commission of European Communities Ms. Colette Flesch, who was present at the conference, said Brussels was ready to support local plans for border cooperation.

Skubiszewski had met FRG President Richard von Weizsaecker and Berlin governing Mayor Eberhard Diepgen in this city on Friday [21 February].

While in Frankfurt an der Oder, Skubiszewski also met Brandenburg Minister-President Manfred Stolpe to discuss support for border regions on both sides of the Odra River. The two stressed that it was necessary for both sides to proportionately cooperate in this area together with the EC. Poland should now thoroughly examine the Stolpe plan. In an interview for the Frankfurt edition of MAERKISCHE ODERZEITUNG, Minister Skubiszewski said that in his opinion an overall Polish-German programme for cooperation in border regions and on the border could be drawn up on the basis of this plan.

Skubiszewski Meets With FRG Leadership

WA2402184492

For reportage on the visit by Foreign Minister Krzysztof Skubiszewski to Germany, including reports on his talks with President Richard von Weizsaecker and Chancellor Helmut Kohl, please see the Germany section of the 21 February West Europe DAILY REPORT and subsequent issues.

Construction Ministry Official Appointed

LD2102085992 Warsaw PAP in English 2131 GMT 20 Feb 92

[Text] Warsaw, Feb. 20—Chairman of the Council of Ministers, on the motion of the head of the Ministry of Construction and Spatial Economy, appointed Wojciech Rzepka to the post of under-secretary of state in the ministry, the government Press Office reported Thursday [20 February].

Partial Election Results for 23 Feb Reported

CD Wins Bucharest Positions

AU2402191092

[Editorial Report] Bucharest Radio Romania Network in Romanian at 1800 GMT on 24 February carries a 5-minute announcer-read report on electoral results of the 23 February local election runoffs. The announcer says that "we can now present the candidates who were elected mayors in the majority of county seats around the country," adding that "these data are unofficial and unconfirmed, since they were supplied by our correspondents on the spot."

Thus, "Mr. Crin Halaicu of the Democratic Convention [CD] was elected general mayor of Bucharest. The CD representatives also won in the capital city's sectors: Flor Pomponiu in sector one; Paul Popovat in sector two; Constantin Tutunaru in sector three; Eugen Bujoreanu in sector four; Nicolae Bazoi in sector five; and Nicolae Vrabiescu in sector six."

The announcer then proceeds to list the "winners in county seats" as follows:

"Alba Iulia, Ioan Timis, CD; Arad, Cristian Moisescu, CD; Pitesti, Tudor (?Bengiuc), National Salvation Front [FSN]; Bacau, Ioan Iosif Liciu, CD; Oradea, Petru Filip, independent on FSN list; Bistrita, Marian Toniuc, the Ecological Movement of Romania [MER]; Botosani, Dumitru (?Chiriacescu), FSN; Brasov, Adrian Moruzzi, CD; Buzau, Stefan Fratila, Romanian National Unity Party [PUNR]; Resita, Mircea Popa, independent; Calarasi, Dumitru Radu Savu, FSN; Constanta, Cornel Neagu, CD; Cluj-Napoca, Gheorghe (?Funar), PUNR; Tirgoviste, Florin Radu Tudor, FSN; Craiova, Nicolae Dan, FSN; Galati, Eugen (?Turbaca), Union of Democratic Left [USD]; Iasi Emil Alexandrescu, FSN; Tirgu Jiu, Victor Murea, FSN; Slobozia, Ioan (?Pinca), FSN; Baia Mare, Gheorghe Brinzei, PUNR; Piatra Neamt, Gheorghe Ocneanu, FSN; Ploiesti, Victor Stefan Savulescu, CD; Satu Mare, Ioan Zamfira, Romanian Democratic Alliance; Suceava, Gheorghe Toma, MER; Sibiu, Sorin Inocentiu (?Ser), CD; Alexandria, Leonida Buruiana, independent; Tulcea, Mihai Nicolae, FSN; Vaslui, Victor Cristea, FSN; Rimnicu Vilcea, Iosif Catana, FSN; and Focsani, Nicolae Lescanu, FSN."

The announcer repeats that all results are unofficial and unconfirmed, "except for results in Prahova, Vaslui, and Bistrita-Nasaud counties, which are final."

According to the announcer "ROMPRES reports that the second ballot of yesterday's elections were characterized by high absenteeism. Incomplete data show that 48-55 percent of the population voted in some counties, while in other counties the turnout was higher, 66-70 percent."

The announcer winds up his report saying that "the local council of Bucharest Municipality will meet in its first session on Friday, 28 February, at 0700 GMT."

CD Holds News Conference

AU2402205692 Bucharest Radio Romania Network in Romanian 2000 GMT 24 Feb 92

[Text] The conclusions on the partial results of the runoff elections were the subject of a news conference organized on 24 February by the Press, Information, and Propaganda Commissions of the Democratic Convention [CD]. The speakers stressed the fact that this victory of the Democratic Convention represents the victory of democracy over certain mentalities and cliches. They recalled the difficult conditions in which this electoral campaign took place, the lack of financial means, to which a slandering campaign with extremist emphasis, coming from the newspapers of the National Salvation Front, was added in recent days. The speakers also noted that certain illegal acts that had been committed did not influence the final results of the elections.

11 FSN Mayors Elected in Counties

AU2502124892

[Editorial Report] Bucharest Radio Romania Network in Romanian at 1100 GMT on 25 February carries a 5-minute hook-up with the Central Electoral Commission from where radio correspondent Tudor Stanciu says that "further official protocols of the 23 February election results have arrived this morning from Neamt, Braila, and Teleorman Counties, as well as from Ilfov Agricultural Sector." He says that "in Braila County, where voting took place in 21 constituencies on 23 February, the mayor mandates were distributed as follows: 11 to the National Salvation Front [FSN]; 1 to the Agrarian Democratic Party of Romania [PDAR]; 1 to the Democratic Convention [CD]; 1 to the Republican Party; and 7 mandates to independents. Mr. Aurica Avram of the FSN won in Braila Municipality."

In Neamt County, "where voting proceeded in 39 constituencies last Sunday, 23 February," the mayoral mandates were distributed as follows: "10 to FSN; 7 to PDAR; 4 to CD; 1 to the Ecological Movement of Romania [MER]; 17 to independents. Mr. Gheorghe Ocneanu, FSN, was elected mayor in the county seat, Piatra Neamt Municipality."

In Ilfov Agricultural County, "elections proceeded in 24 constituencies last Sunday," with the following results in the mayoral ballot: "10 to FSN; 10 to independents; 2 to PDAR; and 1 to the Democratic Left Union [USD]; a new ballot will take place in one constituency on 1 March."

In Teleorman County, "mayors were elected in 63 out of 65 constituencies where voting took place; another ballot will be held in 2 constituencies on 1 March." The mayoral mandates were distributed as follows: "23 to FSN; 7 to PDAR; 1 to the National Liberal Party [PNL]; 1 to the Traditional Social Democratic Party; 1 to CD; 1 to the Republican Party; 1 to the National Peasant Christian Democratic Party [PNTCD]; 1 to the National Liberal Party (young wing); 1 to MER; and 23 to

independents. Mr. Leonida Buruianu, independent, won in Alexandria Municipality."

Reporter Stanciu adds that "Judge Gheorghe Uglean, president of the Central Electoral Commission, told the press that he cannot give an exact time when all results will be in, since everything depends on the promptness with which the counties send in the protocols with the respective electoral results. However, he hopes to be in possession of all results by tomorrow morning at the latest."

Election Returns Show Electorate Wants Change

AU2502091892 Bucharest AZI in Romanian 18 Feb 92 p 1

[Stelian Motiu article: "Appraising the Political Vote"]

[Text] The first round of polls of the cannonade-type election campaign in this "very electoral" year for Romania naturally permits several conclusions. Certainly, some time has to pass to be able to fully assess political signs, meanings, and the results that will permit an optimally substantiated establishment of objectives for the big test—the general elections.

Without fear of being wrong, a first assessment can be made: The Romanian electorate has clearly and indubitably opted for the political forces of change and of "eliminating" former structures not by "destruction through deterioration," but by firmly and judiciously promoting new structures in keeping with the current situation and the country's current requirements.

At the political level, the vote granted—in this first round of elections—to the candidates of the National Salvation Front [FSN] in a—for sociopolitical observers—surprising proportion, confirms a clear-cut endorsement of the program for radical reform of the Romanian society promoted by the FSN. Considering that almost 90 political formations are competing, an average of more than 45 percent nationwide removes any uncertainty about the current configuration of the Romanian political spectrum.

This percentage obtained by the FSN is high, but it is justified; it is just, and it is correct.

It is correct not only because the FSN has assumed the very difficult task of the transition; not only because it has accepted a "dialogue," often an unequal one, with the devastating bitterness of crude realities that are not viewed in a detached way as an inheritance that one can almost reject, or from the angle of a responsibility that one can ignore, but that are approached with the involvement of someone who knows that, right or wrong, this is our area of existence;

Not only because the FSN's steadfastness and great efforts aimed at the political stability of our country—something that is vital at this point—have been and continue to be a patriotic aspect of its political program;

Not only because the FSN refrained from struggling for political capital through petty disputes with the past or with structures that may prolong this past indefinitely;

But because it demonstrated its determination to replace lamentations—too much at hand and too often used—decisions "from the top" or "from abroad," and vague and rosy prospects with a clear, coherent, rational, and credible transition program; a mostly inconvenient, severe, and matter-of-fact program. However, it is a program without which things cannot progress. Finally, because—as during the 20 May 1990 elections—the FSN did not view the problem of electoral competition as a race "of life and death" with winners and losers and a funeral service for the latter. Vae victis. It viewed this race as a natural dispute between partners seeking optimal solutions to the problems in our country today.

Seen from this angle, I think it was surprising to see the Democratic Convention emerge. In its "trial by fire" with the electorate it proved to be a banal artifice and a forced construction. With its common sense, the electorate perceived it as such and sanctioned its camp politics. No one can imagine a genuine government alliance between Radu Campeanu and Ticu Dumitrescu, no one. If their interests are different ones—okay! However, such interests are useful for political comedies, for the afternoon amusement of any kind of riffraff. Genuine and responsible political activity is duty-bound to reject them.

From the angle of politics, the vote granted to the FSN on 9 February represents an important source of trust, trust in the fact that the country is aware that it "has to rally its ranks," that it needs a national consensus to confidently look to the future. The country has understood—and the 9 February ballot has proved it—that the political guarantor of such a national consensus can be no one—at least for the time being—but the National Salvation Front.

Daily Comments on Local Election Results

AU2402091492 Bucharest ROMANIA LIBERA in Romanian 18 Feb 92 pp 1, 3

[Petre Mihai Bacanu article: "Apathy and Volition"]

[Text] So far, local election results have proved that the effort has not been in vain, although elections have been prolonged. You may continue to be daring. The country's future depends on the minute it takes for you to vote.

It goes without saying, the National Salvation Front [FSN] has lost ground, especially in crowded cities; it has lost some 60 percent of its supporters. The first round of elections was dominated by the Democratic Convention [CD]. So far, I have never heard of such a downfall in the world in just 21 months. Despite the fact that very many people did not go to the polls, the option of those who did vote—mostly for the Democratic Convention—was not an accidental one. Thus 9 and 23 February represent

a test and a rehearsal for this year's elections. These elections proved that the FSN is not used to losing, because it continues to contest the elections and to add up apples and nuts by comparing Bucharest or Timisoara with Cucuietii de Jos.

Bucharest and numerous big cities have proved that they do not elect people, but political formations, and the Democratic Convention is strong. The time of electoral salami is past in places where they have the chance of being informed. For this reason— the dissemination of information—the local administration will be freed definitively from the influence of communist practices.

Crin Halaicu [Democratic Convention candidate] was just one step away from being elected to the most important position of mayor in our country. Both his determination and his conviction to win have to be appreciated. When he was asked what he was going to do when taking up the position of Bucharest mayor, Crin Halaicu answered that "he would request the documents," so as to eliminate the biggest evil that does not require any funds: Corruption. Only afterward would he think about the well-being of Bucharest, without promising ovens full of bread, and he would fight for a law on local budgets to be passed as soon as possible. He said he would try to offer solutions instead of promises.

Actually, Mr. Crin Halaicu has no rivals, despite the desperate attempts by... the computer to overthrow the balance of forces. I remember how swiftly the results of the elections of 20 May 1990 were announced. Now they are more careful. I know that there is another computer network that is counting. The only thing they succeeded in doing was to reduce the percentages of the CD candidates from one day to the next, and to increase those of the FSN. The dance of these percentages cannot influence results to a great extent, but it vitiates them. Centralizing the election results by computer should mean the correctness of correctitude.

The FSN has tried and continues to try to reduce their loss in popularity after the Charter for Reform fell to pieces. Cazimir Ionescu had the audacity to present a program for restructuring civilian life by simply copying the desiderata of the Convention. Well, Mr. Cazimir, you have been in power, you have installed mayors, you have had time to restructure, and now you are again coming up with resounding promises and posting up disappointments on all fences? Moreover, the FSN's electoral slogan is the struggle against corruption. Has corruption ever flourished more than in the FSN period? Where, if not in local structures, are corrupt people and self-seekers? Why should elections be needed to eliminate them? Could they be removed by those who actually support corruption and distribute the bungalows of the nomenklatura and the restaurants in Snagov? The FSN leaders thunder and storm against corrupt functionaries, but who appointed them? Who was able to replace them? Before the elections they never uttered a word about promises which were not honored; they spoke only about good intentions and now they come up with communist type propaganda, so that we now ask ourselves what are we electing: Mayors or first secretaries? Just listen to what they say: namely that local autonomy is a political victory for the Front, that they have brought about a change in the quality of the administration, they promise a tangible future and say that the money of a given locality will benefit its residents. We meet with misery and potholes at every corner, while they print in colors: "A new urban concept." Their electoral posters talk about "employing the labor force," while unemployment increases under FSN rule. Medical care, education, and the environment, the FSN propaganda proclaims, are priority issues; but our people are dying.

How easy it was on 20 May! We left the arithmetic to the computer and waved our democratic flag to that infantile slogan: "We will not sell our country," which was to harm not only the image of the FSN but also that of Romania. Now, when the elections have been watched by so many eyes, a week later centralized results are still announced by the constituencies. Anyhow, it has been proved that the abacus is a more convincing argument for the correctness of the elections. Here is something about how "rapidly" the "successes" of the FSN were announced. After the first 25-30 percent were registered by computer, there was an artificial pause after which the CD results began to move downward.

Some 30 percent of the election protocols made a mistake in the number of canceled votes and thus, when added up, they did not reflect the correct number of people who had voted. The calculation of percentages took place in a differentiated way depending on circumstances. In five of Bucharest's sectors, the calculation of percentages took place in accordance with the number of votes cast. In sector two, where the candidate of the Democratic Convention could have won, this calculation was done in accordance with the law, that is on the basis of valid votes. Calculations have to be the same, regardless of who is at a disadvantage. To include into the calculation canceled votes, as long as the "key" [symbol of opposition] did not "lock" the figures in the protocols, is fraud at the highest level (canceled ballots were not turned over to the electoral commissions). Ambiguities led to calculation errors. Just enough to get to the runoffs when absenteeism and discouragement is expected; the only weapon left to the National Salvation Front is psychological intimidation. Nonparticipation in the ballot would mean that the mayor is being elected on the basis of a very small number of votes and thus the election would not reflect people's real options. In such areas as Bucharest or Brasov only fraud of major proportions could impede the victory of the Democratic Convention.

The unification of the opposition parties within the Democratic Convention proved to be the only way to democracy: It made the key a favorite in the elections, although television tries through subtle or direct ways to present local elections as an FSN success. Trying to influence the runoffs, it presents election results in such a way as if the Front and the nationalist-communist

parties were leading and, without any explanation, it just announces that in Bucharest, for instance, a second poll is necessary.

The lesson of the first round of elections was given in Timisoara. The slander campaign launched by Mr. Viorel Oancea did not bear fruit and it did not shock the public as was expected. In Timisoara, democracy followed its course in the first round of elections, because the electorate here is enlightened. Dissatisfaction with the current government should not nourish the idea of the uselessness of this effort. Surprisingly, those who are demoralized, discouraged, and disappointed are the young, those who are threatened by dismissals, those who will have to deal with "structures" and who will have to face the same local Mafia.

The elections are a democratic process, while the political parties remain basic institutions. The removal of the ill-adapted, the corrupt, and the professional activists cannot be achieved through miners' incursions, but on the basis of a ballot. Anyhow, we have to realize that nothing is as it used to be. The saying "nothing has changed" is no longer true. We can stimulate change, but we cannot improve the disagreeable situation we are going through only by the overwhelming presence of the electorate at the polls. Only by struggling can we hope to remove what is wrong.

Even if we just created a balance in the political arena this February, it would be a great achievement. Political monopoly no longer exists. Finally, more and more of our compatriots are convinced that our misfortunes and catastrophes do not come from somewhere else, but from those who were elected in the past two years.

The Democratic Convention has paved its way into the local administration hierarchy and the opposition parties prove solidarity by rallying the political values from one locality or another. I am sure that the percentage of absenteeism is due to the disappointment that the parties were unable to unite. Now, when just two candidates confront each other on the lists, those who did not vote will also come to the polls. A correct option can be expressed only if the great majority of the electorate goes to the polls. I am inclined to believe that absenteeism is not only due to some people's mentality. The key to the elections are the disappointed and indecisive young people. Their vote means a chance for change, especially now, in the second poll that has been announced in more than half of the constituencies. By no means do we want to influence opinions, but the undecided ones have to understand that democracy cannot take shape by withdrawing into apathy, but by breaking the structures of those in power, by the penetration of the opposition and the diversification of the country's political image. The time for change has come and the result of the polls, especially in cities, depends on the young people. The only key to success is a united opposition (the electoral lists actually included legions of parties), together with all those parties which are not exactly expecting the fragrance of roses in the gardens of those in power and which desire to be part of a credible coalition. The trade union meeting (and, in general, the meetings that caused so much trouble to those in power, although they never intended to overthrow them, but just make citizens aware of problems) means solidarity in the face of threat and a guarantee for correctness.

Government 'Favors' General Elections in May

AU2002203992 Bucharest ROMPRES in English 1847 GMT 20 Feb 92

[Text] Bucharest ROMPRES, 20/2/1992—The February 9 local elections have had positive reactions, in spite of a number of deficiencies as far as logistics are concerned, said Iolanda Staniloiu, the spokeswoman of the Romanian Government, at a February 20 news conference. On the occasion, she mentioned once again, that the Romanian Government favoured general elections to be held no later than the month of May.

Referring to the government diary for the current week, Mrs. Staniloiu mentioned that talks had been conducted at government headquarters on pensions in agriculture. She also mentioned discussions with representatives of the Irish Development Agency, that has won an auction in Romania, as well as with the NATO General-Secretary, Manfred Woerner, now in Bucharest to attend the opening of a Euro-Atlantic centre.

Coming back to the local elections, Mrs. Staniloiu said that a decision was taken in a February 19 government sitting that elections be organised on April 19, in the localities where they could not be held on February 9.

As for the negotiations of the government with trade unions, the government spokeswoman mentioned among the targets of the government for the period to come, the processing of the final results of the February tests at the level of enterprises, on the application of a new salary system, the surveying of the price evolution for the period to come, in order that corrections be made to salary indexing, the preparation, in concord with the trade unions, of a number of measures scheduled for May 1, when the state intends to give up 25 percent of the support offered now for fourteen staples, the conclusion of the national labour contract, the enforcing of a new wage system to achieve a better correlation between work and payment.

Nastase Interviewed on Relations With Moldova

AU2302181692 Bucharest Radio Romania Network in Romanian 2035 GMT 21 Feb 92

[Interview with Foreign Minister Adrian Nastase by Nicu Popescu in Bucharest on 21 February—recorded]

[Text] [Popescu] Minister Nastase, the Romanian press is referring more and more frequently to the painful consequences of the tragedy suffered by the Romanian people in 1940 when, following the Molotov-Von Ribbentrop Pact, the right of force imposed itself to the

detriment of the force of right and Bessarabia, Northern Bukovina, and the Herta area—ancient parts of our national territory—were occupied by the USSR. Within this framework, some publications suggest that the Romanian Government is not committed to achieving the primary goal: reuniting the Republic of Moldova with Romania. On the other hand, I know that an inter-ministerial committee for Romanian relations with Moldova was set up. What do you say in this respect?

[Nastase] The context is well known, within which in 1940 Romania, during a period of political and military isolation and located at the intersection of large totalitarian empires, had to bear the consequences of territorial changes caused by the Molotov-Von Ribbentrop Pact of 23 August 1939 and by World War II developments. The position of the Romanian Government and the justified sensitivity of the Romanian people in connection with the territories taken in 1940 are also known.

The actions aimed at overcoming and fully solving the problems we have inherited from the past have to bear in mind the current realities, however. The options of Moldova have to be in accordance with the provisions of the UN Charter, the Helsinki Final Act, and the Paris Charter on a New Europe. In politics, a straight line is not always the shortest distance between two points, as is the case in mathematics. The achievement of unification and the existence of a Romania within its natural boundaries is a process that should by no means be hampered or postponed sine die by actions which, although their aim is a beneficial one, may have immediate negative consequences.

From this point of view, the actions taken by the government, in agreement with Moldova, aim at bringing the two Romanian states closer and into integration at the political, economic, and cultural levels, something that is in the direct interest of achieving our strategic objective.

[Popescu] Can you mention a few recent actions promoted by the government in connection with bringing Romanians living on both sides of the Prut River closer together and with the integration of the two Romanian states?

[Nastase] There are numerous examples. As a matter of fact, I am sure that you have noted the frequent meetings at various levels. The two presidents met on 25 January and met twice in February—when they attended the Davos World Economic Forum and when President Mircea Snegur left for his visit to the United States and Canada. In March, President Ion Iliescu is expected to visit Chisinau. The prime ministers held consultations on 2 November and 25 December 1991 and agreed to hold such consultations regularly. There is also close cooperation between the Ministry of Foreign Affairs and many other ministries and institutions.

The essential goal of these meetings and consultations is to harmonize positions on the most varied problems, expand economic, cultural and scientific cooperation, and facilitate cooperation between economic enterprises. As an example, I would like to mention that on the basis of the agreement signed 2 November 1991 and the technical credit granted by Romania in 1991, important quantities of commodities were delivered to Moldova. Solutions are sought so that by using this credit, large quantities of commodities are delivered. I would also like to mention that at the 25 December 1991 meeting the sides agreed—and action is being taken—to create a free trade zone between Romania and Moldova. Also, on 25 January, the sides agreed to create inter-governmental bilateral structures designed to facilitate the orchestration of our economic, legislative, and cultural policies in education and other areas of common interest.

Concretely speaking, what is at stake is to create intergovernmental structures such as the Council for Harmonizing Education—for primary, secondary and higher education—intended to coordinate educational programs and publish text books valid for both Romania and Moldova; the Council for Promoting National Culture and Art; the Common Economic Council including representatives from the Economy Ministries, national trade chambers, banks, employers' associations, and so forth so as to promote cooperation between economic enterprises.

Then there are the Joint Council for Environment Protection and the Joint Council for Legislative Activity that permits close cooperation in formulating laws and other norms. There is also a Common Customs Council to orchestrate customs regulations. We are encouraging the creation of new government bodies in a variety of areas, including science and human rights.

[Popescu] Mr. Minister, in the past we have witnessed impressive international events organized under various mottoes: Physicians Without Frontiers, Pharmacists Without Frontiers, and so forth. When will Romanians be without frontiers between themselves?

[Nastase] We support international forms of cooperation which may lead to a united Europe and constructive dialogue among all nations. Therefore, we view international actions aimed at achieving this purpose as very positive. However, your formula of Romanians without a frontier between themselves has a special significance. This could become a symbol of our future unity and of achieving the historic objective supported by Romanians on both banks of the Prut. This is, as I have said before, a process which needs time and proper preparation. Concrete actions are necessary that will keep the realities in mind and lay a solid foundation for the integration of the two Romanian states. Numerous steps have already been taken. As you know, on the basis of the travel accord concluded between Romania and Moldova in 1991, citizens from Romania and Moldova have been able since last 25 December to cross the Prut on the basis of their identity cards. Undoubtedly, there are many things to be done to truly ensure the free transit of people and goods between the two states, without which a genuine integration process is not possible. Both sides

have to take action so that we are able to come closer to the objective I mentioned before, and so that no action is taken that would make us depart from that objective. We also consider concrete actions within the Inter- Ministerial Committee for Romanian Relations with the Republic of Moldova, a committee you have mentioned. I would like to emphasize that the creation of this committee stresses the concrete and major concern of our government in this respect, as well as the particular importance which it attaches to special relations of fraternity and integration with Moldova. This committee proposes to give an impetus and to directly support the initiatives and actions of cooperation between various partners from Romania and Moldova, between government institutions and nongovernment bodies, state-owned companies or private companies, professional associations, and so forth. It also proposes to support the activities of many projects expected to move rapidly forward during the natural integration process of the two Romanian states.

Spiroiu on Efforts To Modernize Armed Forces

92BA0488A Bucharest VIATA ARMATEI in Romanian Dec 91 pp 4-5

[Interview with Defense Minister Lieutenant General Niculae Spiroiu by Colonel Ion Jianu; place and date not given: "The Romanian Army in a Process of Modernization"]

[Text] [Jianu] Minister, it has been two years since the revolution, in which time the Army has undergone a number of changes. Please highlight the main objectives established by the Ministry in the process of modernizing our Army, and the priorities along that line.

[Spiroiu] You are familiar with the effects of the measures taken to date to modernize and democratize the Army, improve the training process, and enhance its combat capability so that our military establishment can serve the law-governed, democratic state that we wish to build, and can fulfill its essential mission as stipulated in the Constitution. The openness we are all enjoying has allowed us to make these measures public. I want to stress that in view of its place in society—at an equal distance from all the political parties—the Army constitutes a factor of stability and balance, and of confidence that the country is protected and that at any time our troops will honorably fulfill their duty. Currently we have come to a stage at which we need to emphasize the modernization of the structures, especially the command structures, both at the level of the General Staff and at that of Army and corps commands and other categories of forces. This important measure is primarily designed to increase the role of the commands for optimizing the training and instruction of the troops to fulfill their missions. In other words, a planned decentralization and a better delimitation of responsibilities. I am also considering releasing the commands from the auxiliary, ancillary activities that are currently burdening them and distracting them from their real purpose, because sometimes too great a dispersion of activities will cause the main point to be lost.

[Jianu] Can you give us examples?

[Spiroiu] For example, an operations command should not have to deal with matters of arms and technological development; it should not have those kinds of structures that are also found at the Ministry, thus creating overlapping; or training coordination departments in the respective specialty, which overlap with the duties of the training inspectorate. I also think that matters concerning logistic supplies should be taken away from the care of operational commands and assigned to special structures, which should ensure efficient actions and coherent planning and execution. Of course, however paradoxical this may seem, this will contribute to cutting down the number of positions by, as I said, eliminating overlapping. The cuts will also serve the purpose of another of the measures we plan for modernizing our military establishment, namely, to achieve an optimal size army, smaller, more mobile, and of course, trained to perfection. We are already in the process of implementing the measures approved by the Supreme Defense Council in the area of structure modernization, in which there have also been some delays caused by insufficient budget allocations.

[Jianu] We know that this year's budget was modest, the figure quoted was about $168 million. What are the hopes for 1992?

[Spiroiu] In 1991 our budget appropriation was approximately $0.2 billion at the present consolidated rate of the leu. That is, of course, the equivalent of that dollar amount, because we did not get any foreign currency. The only foreign currency we had came from the foreign trade activities of the autonomous enterprise Romtehnica, which carried out this kind of transactions in compliance with the domestic and international laws (I am referring mainly to the ban on exporting military equipment to conflict areas, as well as other regulations). This foreign currency permitted us to keep our existing equipment operational, to secure vital spare parts for the Air Force and certain components for the production of various categories of military hardware, and so forth. So, as far as equipment procurement was concerned, we could not afford to import much, with the exception of a few areas: aviation, naval equipment, second-third generation passive night-sight equipment, and communications equipment. Our hopes for the coming year are geared to economic developments. The first immediate objective of the government is to stabilize the economy and to stop the shortfalls recorded until now. There are some signs that the situation in this area will take a positive turn, something that will, I hope, restore economic growth and thus bolster the confidence of foreign investors.

[Jianu] Both the modernization of the structures and the acquisition of modern equipment, which remains a high

priority, and the other measures designed to raise the combat capability of the Army require a process of establishing a professional army. Would you tell us a few things about that aspect?

[Spiroiu] There is no question that a professional army is one of the goals of the modernization of the Army. We have also made economic calculations that show that it is far more efficient to have young, professional soldiers, especially in the technical corps manned by teams or crews, where you usually have stations manned by operators or servicemen—signals, communications, guidance, as well as drivers, etc. Once trained, they can work for a longer period of time, up to the age of about 35. As is known, a certain process has begun in this respect, whereby young military men were employed on a contract basis; we hope to expand this system. Having noticed that the criteria for hiring them were not equally stringent everywhere, we issued orders, and these young men were reassessed, and in the future we will endeavor to sign on only those who have real professional skills. Of course, there is a problem here: their contract with the Army expires at age 35. As the economy will allow it, we will promote a social protection system whereby they will receive a compensation (a kind of pension) for their approximately 10 years in the Army, something that will have a positive effect on increasing the number of applicants. Naturally, the professional army will not eliminate the compulsory military service, which we will not give up. We are working on a law concerning compulsory military service, which is one of the organic laws envisaged in the Constitution. This category of troops will not only provide the combat forces, the necessary infantry troops, mountaineers, paratroopers, etc., but will also keep up the responsibility of the youth and the nation for defending the independence, sovereignty, and territorial integrity of the country.

[Jianu] Will the new law also envisage forms of youth training before conscription age?

[Spiroiu] I think that it is necessary to resume this kind of paramilitary youth training, of course, in appropriate froms, for which we have our tradition. The scouts, for example, whom we must assist and encourage to a greater extent. As a matter of fact, we have had contacts with the chairman of the Romanian Scouts Association and I think that they are doing a good job; in the future we will give them greater help. Going back to the military service law: As one proof of our progress toward democracy and respect for human rights, that law provides forms of alternative military service for those who for various reasons will not serve in the armed forces.

[Jianu] Minister, we have received a considerable number of letters from young women who wish to join the Army. Currently our training institutions have cancelled their training. What are the plans for the future?

[Spiroiu] In my opinion, a modern and democratic army cannot do without the contribution of women cadres. This category of officers and noncommissioned officers exists throughout the world and has demonstrated its capability, even in special, tough conditions (see the Gulf war) to cope with the deprivations of military service. We cannot deprive one category of the population of this right, either. For the moment, I cannot tell you exactly what forms this training will take, but you can reassure the female readers of the magazine that the Ministry is working on this matter.

[Jianu] After the revolution a number of concepts and activites, whose substance had been discredited under the old regime, fell into disrepute. Thus, for example, education. What is your view on the matter?

[Spiroiu] This kind of negative thinking is dangerous and it worries me. Not coincidentally, I discuss this issue at all my meetings and talks with officers and generals at all the commands and units. I talked with a very large number of military cadres and I hope that the initial reaction has abated. This phenomenon is part and parcel of a more extensive moral crisis permeating the entire population, caused by the fact that under the old regime education went hand in hand with the communist ideology that justified a totalitarian regime. There was naturally an aversion to the education structures devoted to political propaganda. Currently, I think that the situation has somewhat cleared up, now that the ballast which distorted an essential human activity has been thrown off. Education means both science, as well as art. Along this line, we plan a new educational structure, beginning with the General Inspectorate for Culture in the Army and down to the units. It is up to the wisdom of the commanding officers and the above mentioned factors to restore this activity to its rights and to rekindle interest in an education based on humanistic knowledge, general culture, and moral and military values, for which we have a long tradition. In this respect, the military media, the press, radio, and television (in their military and other programs) must play a role, too.

[Jianu] Do you think that we should appoint one officer in charge of educational activities among the troops?

[Spiroiu] I think so. The head of a military unit club should be a decent, enthusiastic person, and a good professional. We now have noncommissioned officers for music, but it seems that they are still unsettled. We must establish duties, select skilled and interested men, and that will help overcome this crisis. For example, in order to cultivate corps pride and spirit among the troops, we intend to promote a rule that every regiment should have its name inscribed on the gate and should have its own insignia. This is not a secret, but a beautiful tradition. The troops must be proud to have served or to be serving in that regiment, whether it is infantry, artillery, tanks, whatever. They must be proud of the traditions of the previous generations, and must do honor to their membership in a given unit. Those in charge of educational activities can carry this idea further, can design various emblems to be presented to meritory soldiers upon retirement (ties, cufflinks, cigarette lighters, banners, badges, etc.). Here I want to

mention that the heraldic principles and regulations must be observed in manufacturing such insignia, for which the experts of the National Military Museum can be consulted. We were too hasty even about the emblem of the National Defense Ministry, and the rules were ignored. Consequently, even this example, giving the regiment a name, can be made into an educationl act, thus creating an atmosphere of emulation and competition among units. The Army can only gain by that. In all the armies of the democratic states, education is linked to training, and authentic values, progressive traditions, and so forth are promoted.

[Jianu] Minister, how does the Ministry leadership view the activities of those cadres (few, according to our information) who are engaging in private activities in order to supplement their pay; in other words, who have become "privatized?"

[Spiroiu] The new statutes envisage that in the future the military cadres may engage in off-duty activities that may allow them to supplement their family budget. That, however, does not mean privatization. Anyone who becomes an employer, who has a firm of any kind, cannot stay in the Army. It is not very likely that a person who is managing a company, for example, can still efficiently do his military job, which requires time, ongoing training, continual response to military demands, and certain sacrifices. That is why business, or owning a company, are not compatible with the status of a military cadre. Yes, people can engage in honest activities during outside hours if that does not affect the fulfillment of their military duties and if the training of the person in question is appropriate, such as, for example, translating a book or articles, designing a project, or a specialist in electronics might offer technical assistance, all, of course, legally. Normally, military men should be paid so as not to need to engage in activities other than the job they selected, the military profession. As a rule, the military career takes possession of one's entire being, it requires complete dedication, one cannot split oneself in two.

[Jianu] Minister, you were recently in Brussels, where you had meetings with NATO officials in Europe. Can you summarize the results of the visit and at the same time review the relations between our Army and other armies, especially those of the neighboring countries?

[Spiroiu] The purpose of the visit was mutual briefings and establishing the best means of cooperation at a time when Romania, being in a process of economic reform and transition to democracy and to a law-governed state, is interested in establishing general and military relations throughout the world and with all those who want stability and peace in the world. We want to have friends everywhere, and that is possible because by tradition our country always promoted a nonaggressive doctrine, something that is in fact clearly stipulated in the new national security doctrine. I had talks with NATO Secretary General Manfred Woerner, with people in positions of responsibility in the NATO Military Committee for Europe, with representatives of all the armies of the NATO member-states at a round table, with the Belgian defense minister, and with the Defense Commission of the Belgian Senate. Such direct contacts are very useful, because they permit exchanges of accurate information and make it possible even to correct distorted pictures. For example, it was believed that in Romania there was danger of an ethnic confrontation. I firmly stated that in our country there is no real background for such conflicts, as long as they are not started from abroad. The process of building a law-governed, democratic state, the emphasis on human rights, and the fact that these rights have been sanctioned in Romania's new Constitution, which was passed by Parliament—and which has now been endorsed by the entire population by their vote at the referendum—ensure the framework for good understanding among Romanians and the other nationalities. In connection with the situation in Yugoslavia and the bogus reports that Romanian citizens allegedly fought in Croatia or that we delivered arms to that area, I made it clear that we have an interministerial commission that monitors all arms trade and that the government has issued a decision banning any commercial transactions with areas of conflict. Similarly, our country did not and will not send troops anywhere, unless we were invited to participate in UN deterrent forces or in European security structures (should such structures be formed). That, however, is done under conventions accepted by international fora and entirely in the open. I believe that the explanations I furnished were understood and accepted. NATO is currently revising its guidelines; its main priority is to implement the measures stemming from the declarations of the recent meeting in Rome. The positive aspect is that a certain obstacle has been overcome in the relations between NATO and the East European countries, along the line of making no discriminations and treating all these relations equally, something that fosters a real feeling of security in this part of the old continent. In connection with the political-military structures planned to be established by the Western European Union, I stressed our position, which is that they must be complementary structures and must certainly not be superimposed on the existing ones. Romania will participate on the basis of partnership in those structures that will ensure security and cooperation on the continent and in the world. Going back to the importance of direct contacts: At the Royal Institute of Advanced Military Studies in Brussels we agreed to exchange delegations and I invited the 1992 class of graduate officers on a study trip to Romania for the purpose of getting directly acquainted with the realities prevailing in our country. In fact, I noticed that all our recent guests have realized that in many respects the situation is other than it is presented by some of the Western media, and they have formed an accurate impression of Romania and the Romanian Army. Our Army's relations with other armies are based on the principles I also presented in my talks with NATO high-ranking officials. The governing idea is to maintain a climate of understanding and stability and relations of good neighborliness in this part of Europe, something

that is unquestionably part of our strategy of integration in the process of European cooperation and security. Consequently, we are promoting relations of friendship with all those who respond to our friendship. In this part of the continent we have very good relations in the Balkans and with armies of NATO member-states—Turkey and Greece—with which we maintain useful exchanges. Soon I will pay a visit to Turkey at the invitation of the new defense minister. Our delegation, led by the general chief of staff, was in Greece. Our relations with the Bulgarian Army are also very good, and they will become even better in the conditions in which mutual political receptivity will, as far as I can see, develop. This year our plan of cooperation with our Bulgarian neighbors was implemented in full and we have already prepared the plan for next year, which has already been signed on the occasion of my recent visit to Sofia. Similarly, we have had old-standing relations of friendship with the Yugoslav Federal Army, and it pains us to see the conflict currently taking place in that neighboring, friendly country, a conflict that has already caused many human losses and enormous material damage. We hope that the situation will return to normal and we support any initiative apt to contribute to extinguishing the conflagration and establishing peace. Also, as is known, after the December revolution we signed a cooperation agreement with the Hungarian Army, which includes a pioneering action, the "Open Skies" accord, whose beneficial effects have materialized in a relaxed atmosphere of mutual trust and friendship. We also have friendly relations of cooperation with the Soviet armed forces, with which we have agreements—like with the Bulgarian and Hungarian Armies—in the areas of antiair defense. We hope that our future relations with the neighbors in the East will take concrete shape in mutually advantageous bilateral agreements based on friendship.

[Jianu] The Republic of Moldova is planning to establish its own army. What assistance are we providing it?

[Spiroiu] We have already established a number of scholarships for Bessarabian youths currently enrolled in our military high schools and institutes of higher education. There are about 80 young men who, upon graduating, will undoubtedly become cadres of the future army of the Republic of Moldova.

[Jianu] Some of our young officers attended courses in West European countries. Please tell us about that.

[Spiroiu] We had some [officers] participating in Italy and Germany, especially in the areas of civil defense, air traffic "management," and cooperation between the Civil Aviation Department and the Air Force. We also have officers studying at military academies in France and other countries. Any new learned experience is welcome and we wish to expand our participations, subject to the agreements that will be signed. Here I want to emphasize a very important and very necessary aspect: The future cadres of our Army, an army that we hope will be modern, civilized, etc., must know one or two international languages. Until now the things that could have been done were not done, perhaps also because of the isolation in which we all had to live before the revolution. As this affects the military career, I think that any officer will be interested in improving his knowledge of foreign languages through individual efforts, classes, and other forms that can be offered even in the units, within the curriculum. As a matter of fact, this aspect will be taken into consideration at admission exams for the Academy and for promotion to certain positions. The General Inspectorate for Military Education and the general staffs will play a major role in this respect and I think they will take measures to encourage the study of foreign languages.

[Jianu] What would you like to convey to our readers before ending?

[Spiroiu] As Christmas and the New Year are coming up, I want to wish the entire Army personnel, all the veterans and reserve officers, and to all the friends of the Romanian Army good health, joy, and a better year!

International

NATO Seen as Venue for SFRY Intervention

92BA0527B Belgrade NARODNA ARMIJA in Serbo-Croatian 13 Feb 92 p 55

[Article by M. Drecun: "Military-Political Movements in the Balkans and the Lower Danube: To Live With NATO Members"—first paragraph is NARODNA ARMIJA introduction]

[Text] Germany, through its satellites Slovenia and Croatia and strongpoints in Kosovo and Macedonia, skillfully using Austria and Hungary, and bypassing NATO, is attempting to impose its rule and, it seems, increasingly succeeding in imposing its rule, in the Balkans. This is a case of political and economic penetration; this should also guarantee the military presence of Germany, which, after 1995, when the reorganization of NATO is completed, will be the strongest military force in the heart of Europe, with 370,000 troops.

The disintegration of the Warsaw Pact and the USSR has radically changed the bipolar structure of European security, based on the balance of the military forces of the two superpowers. The old continent is now dominated by the western military alliance, which the members of the former East European alliance (even Russia) and non-bloc Albania want to join. The former Yugoslav republics of Slovenia and Croatia have similar intentions, having already realized their first contacts with NATO, since its delegation visited Ljubljana and Zagreb at the end of last year.

Such a situation is leading Yugoslavia into a qualitatively new position, more accurately described, into a circle of "new" neighbors. This is because Hungary, Bulgaria, and Albania are attempting, openly and at any price, to approach NATO and join it as soon as possible. The first step has already been made. All former East European nations and the three Baltic republics have participated in the work of the North Atlantic Alliance for Cooperation, whose goal is that the former adversaries from East Europe draw closer to the West but that full membership not be given to them immediately.

Of the neighboring countries, Hungary is closest to its goal; it has obtained observer status in NATO. Its government, with open intervention in the Yugoslav crisis and public expression of territorial pretensions, really the implementation of not only the German policy of breaking up Yugoslavia—is buying a ticket to NATO. Budapest has become the center for following changes in other countries and undertaking activities regarding Romania and Yugoslavia. At the same time it has signed, with Austria, the "General Agreement on Military Cooperation" which, although it quotes the Congress for European Security, is really aimed at Yugoslavia.

Bulgaria has changed from a faithful ally of the USSR into a fiery patron of the idea that NATO be transformed into a general European security system. At a recent NATO meeting, Sofia promoted its Atlantic policy—that NATO be a guarantor of the security of the Balkans, and that Bulgaria, Greece, and Turkey create a new Balkan alliance from which, according to the concept of Bulgarian strategists, Romania, Yugoslavia, and Albania would be excluded. It is clear why Bulgaria wants to discuss the security of the Balkans only with Greece and Turkey: both are NATO members under whose skirt Bulgaria also wants to be, but there is another reason—that Yugoslavia be erased from the political map as a powerful neighbor that is a barrier to greater Bulgarian pretensions. At the end of last year, Bulgaria and Greece also signed an agreement on military cooperation which Greece, after Bulgaria's recognition of Macedonia, revoked. From the strategic viewpoint for Yugoslavia, such significant activity by NATO with regard to Bulgaria and Macedonia is an indication of their military cooperation.

Albania quickly abandoned its nonbloc policy and, instead of its previous sharp criticism of the Warsaw Pact and NATO, began to seek admittance into the North Atlantic Alliance. It sold its independence for literally two dollars of assistance per capita of population and permitted several thousand Italian troops, who have already taken over the majority of posts on the border with Yugoslavia, to be stationed on its territory. There are American and German military experts in Albania. Weapons have also arrived from the Americans, and military cooperation with Turkey, whose general staff chief, after a visit to Tirana, reported that his country would supply Albania with modern armaments, has been announced.

The end of the confrontation and the advancement of Greek-Turkish and Turkish-Bulgarian relations and the growth of American influence in Bulgaria and Albania are resulting in a stronger U.S. influence in the Balkans; with this NATO positions in southeastern Europe are becoming stronger. In comparison, however, the position of Germany which—through its satellites Slovenia and Croatia and strongpoints in Kosovo and Macedonia, skillfully using Austria and Hungary, and bypassing NATO—is attempting to impose its rule and, it seems, is increasingly succeeding in imposing its rule, in the Balkans, is also growing stronger. This is a case of political and economic penetration; this should also guarantee the military presence of Germany which, after 1995 when the NATO reorganization is completed, will be the strongest military force in the heart of Europe with 370,000 troops.

The security of Yugoslavia is also complicated by the fact that the minority question in the Balkans is tied to the territorial question—the position of minorities is tied to the territorial pretensions of Hungary toward a part of the Vojvodina, of Bulgaria toward southern Serbia and Macedonia, of Albania toward Kosovo and western Macedonia.

Despite the expressed attempts of former Warsaw Pact members to become NATO members with full rights, objective analyses show that such a request is unrealistic. The reason is that the North Atlantic Pact cannot be broadened and strengthened by the simple addition of former Warsaw Pact members, since they have not become a part of the EC politically and economically. On the contrary, NATO is attempting to reorganize in order to protect West Europe from the influence of elements that have appeared on the political scene of former East European countries and that threaten to be transformed into a cause of nationalistic movements in West Europe. Moreover, NATO is organizing forces for quick intervention which, among other things, is also supposed to serve for the localization of clashes in former Warsaw Pact member countries.

The most important question at this level of the development of European security for NATO is how to assure the legalization of intervention (this could also affect Yugoslavia) in countries where there are crisis centers. We repeat that it is impossible for former Warsaw Pact members to enter NATO before political pre-conditions for this are met—entry into the EC. Realistically viewed, these countries want to enter NATO in order to provide a guarantee of their borders against aspirations from the West, in order to obtain economic assistance for the rebuilding of economies and military assistance for preserving the current regimes.

Such a progression of events carries certain dangers for the security of Yugoslavia, especially because some of the candidates for NATO membership consider that it is easiest to obtain entry through active participation in the destruction of Yugoslavia and through pretensions toward parts of our territory.

Oil Deliveries to Central Europe Detailed

92BA0521B Belgrade BORBA in Serbo-Croatian 10 Feb 92 p 10

[Article by J. Putnikovic: "Negotiations With Slovenia"]

[Text] The Adriatic Oil Pipeline could soon go into operation toward countries in Central Europe: Hungary and Czechoslovakia.

In announcing the resumed operation of a system that has been severed on territory of Croatia that is still under control of the Serbian Army, VJESNIK INA does not say how this will be done in technical terms. Nevertheless, Anton Vavro, deputy prime minister of the Slovak Republic, Dr. Igor Furdik, consul general of the Czech and Slovak Federal Republic, Ignac Prno, deputy minister of the economy, and Jan Maronek, general director of Transpetrol, talked about opening the six check valves in a 50-km section of the pipeline near Sisak with Anton Cicin-Sain, general director of the Adriatic Oil Pipeline, on 29 January in Omisalj on Krk. And because Hungary is also interested in obtaining a flow of petroleum by the Adriatic Oil Pipeline, a joint meeting in that country has been planned for mid-February.

In any case, the people at the Adriatic Oil Pipeline say that it is possible, once they reach the valves in question, to enable the system for transport of petroleum in just three days. In addition to the management, then, specialists will also go to Hungary, because their word will be decisive in carrying out the project.

Concluding that the "political problems are proving insurmountable here" and that in a "reasonable time frame," the people at the Adriatic Oil Pipeline say that even now 12 million tons of crude petroleum could go to foreign trading partners. With an increase in the rate of flow, the capacity could be raised to 15 million tons, and even to a full 18 million tons if investments are made. And the larger capacity automatically means that the raw material would make the trip across the country much more economically.

The port of Omisalj itself is of particular interest to the Slovak partners because it can receive large-capacity tankers, even those that go up to 250,000 tons, which means that Slovakia is saving $1 million simply by not carrying petroleum in 80,000-ton tankers.

Other Central European countries certainly have similar arguments; however, in Croatia they obviously are not taking into account that the other Yugoslav republics are also exceedingly interested in the transport of crude petroleum by the Adriatic Oil Pipeline. Especially because they also financed construction of the pipeline itself, which was not done by Croatia alone.

[Box, p 10]

Everyone or No One

Declaring that they have not been informed of a possible resumed operation of the Adriatic Oil Pipeline, Petar Sujica of the Fuel and Energy Association of the Economic Chamber of Yugoslavia says:

"It cannot resume operation for Czechoslovakia and Hungary unless it resumes operation as a whole, that is, including the segment for Bosnia-Hercegovina and Serbia. Not only because this is not technically feasible, but also because all the Yugoslav republics built the Adriatic Oil Pipeline with their joint investments. It is not Croatia's dowry."

Sujica goes on to say that the possibility left to Croatia might be to make a crossover to the branch of the pipeline that goes from Krk to Hungary and in that way cut out the remainder of the system. That is, the other owners would then be left only unusable pipe.

Interrepublic

Mutual Concerns Promote Slovene, Croat Relations

AU2402173392 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 24 Feb 92

[Report on Sloven Assembly by Zvone Zorko in Ljubljana 24 Feb—recorded]

[Excerpt] The Commission for International Relations of the Slovene Assembly today supported the initiative to sign the economic cooperation agreement between Slovenia and Macedonia. The commission also examined relations between Slovenia and Croatia and gave its consent to an initiative that a border treaty between Slovenia and Croatia be signed.

A certain progress has been made in Slovene-Croatian relations lately. It was concluded at today's session of the Commission for International Relations that this qualitative progress in relations between the two republics is demonstrated by the economic cooperation agreement and establishment of diplomatic relations. However, it is true that numerous controversial and unresolved issues that could adversely influence the quality of mutual relations still exist. Therefore, it is necessary that these issues be resolved through negotiations and by signing the relevant agreements as soon as possible.

The following issues are especially controversial: nonimplementation of the payments operations' agreement, which has resulted in the accumulation of dinar funds on non-residential bank accounts in Croatia; mutual displeasure over the Ljubljanska Banka Zagreb Branch; the issue of the Krsko nuclear power plant; problems stemming from the Osimo agreements; establishment of the state border on the sea, which is related to the establishment of the border on land; the issue of the Slovene fishing industry and fishing in the Croatian territorial waters; a complex of unresolved problems in health care, social welfare, pensions, and labor relations, and, finally, problems that the border population has been facing since the new border.

The commission discussed all these matters in detail, especially those that are occurring on both sides of the border. In doing so, the basic question was whether the Slovene Government could have done more than it did. Vice Premier Andrej Ocvirk said that here we must take into account the objective fact that Croatia is at war and has, therefore, been postponing the resolving of these issues. It is also true that the issue of foreign currency debt and the payments operations' system is one of the most difficult issues because it will have to be tackled within the entire former Yugoslavia. [passage omitted]

Montenegro Concessions on Serbian Joint Pact

92BA0516C Belgrade BORBA in Serbo-Croatian 14 Feb 92 p 9

[Article by D. Vukovic: "Cornerstone or Stumbling Block?"]

[Text] Following the talks in Titograd between the delegations of the incumbent parties of Serbia and Montenegro and after the summit talks (in Belgrade) of delegations between these two republics, and finally, immediately after the meetings of the work groups on Zabljak, the leaders of Serbia and Montenegro came together the day before yesterday in the Montenegrin capital on something which might be called the cornerstone of a new joint state. The agreements were reached quickly, without much ceremony in the media, almost in secret, and all of it side by side with the public debate on the proposed version of the decision to hold a referendum in Montenegro. Convinced that a favorable outcome of the referendum is guaranteed, the Montenegrin government has been representing these "efforts" to shape a future joint state as completely normal. Their final result, communicated after the talks in Titograd, confirmed what was evident even after the talks in Belgrade. That is, the Montenegrin leadership made important concessions, backing off from certain principles which it had backed up with its authority. They gave up on parity representation in the assembly and government of the joint state, and instead of a single chamber it was agreed that the assembly of the joint state would be bicameral. The Montenegrin proposal for joint foreign policy and joint command over the armed forces was also omitted. Everything that smacked of confederalism was deleted.

Where the Problem Is

The problem is not that one side in these talks (the Montenegrin) renounced everything it itself had proposed. The whole point of talks is to make a compromise if that is possible. The problem, however, is that the Montenegrin leadership spoke about the model which it itself had proposed as some minimum beneath which it was not empowered to go. Momir Bulatovic, M.A., president of the Montenegrin Presidency, said in the Montenegrin parliament that "in the drafting of a new constitution of a joint state with representatives of the republics which express an identical desire, the bodies of government of Montenegro would get a binding mandate to ensure application of these principles and guarantee complete and absolute equality of Montenegro with the other republics in the joint state. If they do not encounter understanding on the part of the other republics, they would not be authorized to enter into a joint state with less than this precisely established minimum." The arguments of the others, in this case of Serbia, seem to have been more convincing, so that the "precisely established minimum" was forgotten.

This turn of events will gladden or has already gladdened those in Montenegro and Serbia who were in a hurry to accuse the Montenegrin leadership of confederalism and even of separatism. Those others, including Miodrag Vlahovic, M.A., of the United Opposition of Montenegro, made the following comment for BORBA on the results of the agreement between the leaders of the Montenegrin and Serbian governments:

The Policy of the Fait Accompli

"The bulldozer policy of the fait accompli, which the citizens of Montenegro can only stand and watch, makes nothing more than a farce of what they, as asserted by the government in Montenegro, must take part in—that is, the referendum. The designers of the new state, of this

quasi-federation, which would be to give it a name to which it is not entitled, probably think that they have finished the job—even the 'legal basis' is here," Vlahovic says. "While there is no need for me to repeat all the cases of bad logic and untenable construction of this monster state, which for the citizens of both Serbia and Montenegro signifies casting in cement the ruling oligarchies, which have economically, politically, and morally degraded them, but it also sets aside a possible and necessary project for creating a community of independent South Slav states.

"The authorities in Belgrade and Titograd do not have the legitimacy to be governments at all," Vlahovic continues, "much less to finish the job of burying Yugoslavia under the cover of a lie that would take the form of a governmental community. In spite of their optimism and self-confidence, I am certain that they are counting their last days, and in that the democratic opposition of Serbia and the democratic opposition of Montenegro should give them 'assistance,'" he concluded.

We were unable yesterday to obtain the opinion of any of the leaders of the People's Party of Montenegro (they were in Belgrade), but it can be assumed that they will approve anything that goes toward bringing Montenegro and Serbia closer together. The only question is whether this degree of closeness is optimal for them. The Democratic Party, which in these matters shares the opinion of the People's Party, presented its judgments of the agreement in Titograd at a press conference yesterday. The reactions of the others will follow. One can well imagine how things will go from here. It is certain, that is, that the ruling majority in parliament will not hold it against the republic leaders that they gave up what they had called the "precisely established minimum." The citizens still have the referendum, in which they will judge whether a cornerstone has been laid for the joint state, or on the other hand a stumbling block.

[Box, p 9]

First Constitutional Assembly

"The leaderships of Serbia and Montenegro have coopted the procedure and constitution whereby a possible future community is to come about. In content, the positions adopted take the form of a confederal system, but on the other hand they are not democratic the way that they have been adopted, because they contain constitutional subject matter. Such a constitution must be adopted in a constitutional assembly, which must be democratically elected in secret multiparty elections, and only after that would there be a referendum," Dr. Slobodan Vujosevic, professor and chairman of the Executive Committee of the Democratic Party, said yesterday in a press conference in Titograd.

"And because the decision on the referendum, so one has heard, is under present conditions primarily a matter of choice and responsibility of the incumbent party, if it, by the strength of its majority in the Assembly, nevertheless pursues this kind of escapade, the Montenegrin Democrats will argue that the formulation of the question should contain two clearly stated political views concerning the future status of Montenegro, as follows:

1. Are you in favor of Montenegro remaining an equal republic in a democratic federation?

2. Are you in favor of Montenegro being an independent state?"

[Box, p 9]

In a Word—Shame

The Titograd summit meeting of the two oligarchies—from Titograd and Belgrade—reveals the utter unscrupulousness of their activity, believes Slavko Perovic, leader of the Liberal Alliance of Montenegro. Such "agreements" have no foundation in Assembly decisions of either Montenegro or Serbia. In any case, this will be entirely without authorization. On the one hand, this meeting which takes place out of sight of the Montenegrin and Serbian public is the best indication of the infinite degree of subordination of the totalitarian Montenegrin regime to the totalitarian regime of Serbia. I would recall that the Montenegrin parliament adopted a decision on 23 December that Montenegro would officially constitute itself as a sovereign state "when Yugoslavia ceases to exist." However, although it is completely clear that nothing is left of Yugoslavia, through the interpretations of such experts as Gavra Perazic, it will probably exist right up until the moment when the two Kostices, Jovic and Bajramovic, receive a bundle of dinars from Topcider in the form of their own personal income from the federal treasury, that is, the JNA [Yugoslav People's Army]. In a word—shame, Perovic judges.

—D.V.

[Box, p 9]

They Have Not Asked the People

"We were surprised by the decision to create a new Yugoslavia from Serbia and Montenegro. It was made in a hurry, and they did not conduct referendums before that, they did not ask the populations of the two republics whether they are in favor of that," is the comment of Milan Komnenic on the recent meeting of the leaders of Serbia and Montenegro in Titograd.

"I only do not know who authorized them to make decisions on such key issues. The position of the SPO [Serbian Renewal Movement] is well-known. We favor a sovereign Serbia and a sovereign Montenegro, which would then enter into an association with Bosnia and Hercegovina and Montenegro.

"The opposition of Serbia and Montenegro, according to my information, is to meet in a few days and talk about the future system of the two republics," Milan Komnenic told BORBA.

Federal

Presidency Upholds Self-Determination Bill

LD2402210292 Belgrade TANJUG in English 1826 GMT 24 Feb 92

[Text] Belgrade, Feb 24 (TANJUG)—The Yugoslav State Presidency today upheld a bill on the exercise of the right to self-determination and recommended to the federal parliament to accelerate the procedure for its adoption.

The Presidency today informed in a brief letter the federal parliament of its 'full support for the basic ideas and proposed solutions' and stressed that the passing of the bill would 'basically create the legal basis for a peaceful and democratic settlement of the Yugoslav state and political crisis.'

The bill on self-determination has been scheduled to be submitted for adoption at the session of the federal chamber of the Yugoslav bi-cameral parliament in the first week of March, but the date has not been finalized.

The Presidency indicates that, before passing the bill, the federal parliament 'should remove all dilemmas in connection with the question of quorum in the federal chamber of the Assembly of Yugoslavia, in view of the fact that delegates from individual republics are not taking part in its work.'

Croatia, Slovenia and, more recently, Macedonia have recalled their delegations to the federal chamber.

After the recall of the Croatian and Slovenian delegations, the federal chamber adopted new rules of procedure which regulate that decisions should be taken by a majority vote of the delegates present.

Since the Macedonian delegation has, meanwhile, been recalled from the federal chamber, the work of the chamber should be regulated by additional rules.

Bosnia-Hercegovina

Izetbegovic: Cancel Krajina Assembly Session

AU2402192592 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 24 Feb 92

[Text] Assessing the activities of the Serbian Democratic Party as activities that pose a threat to the continuation of the talks between the three parliamentary parties scheduled to take place in Sarajevo on 27 February, Alija Izetbegovic, president of the Presidency of Bosnia-Hercegovina, today sent a letter to the EC's special envoy. The letter states the following:

A session of the illegal Serbian Assembly is scheduled to take place in Banja Luka tomorrow to discuss the constitution of the so-called Serbian Republic of Bosnia-Hercegovina. It was even envisaged that the republic be proclaimed. Such activities are in total contradiction with the Constitution of Bosnia-Hercegovina and directly undermine the republic. All this has caused aggravation among the citizens, especially now, when the referendum is about to be held.

I beg you to use the influence that you enjoy with Radovan Karadzic so that the aforementioned session is canceled and all activities that are not in line with our talks are stopped. Otherwise, the new meeting, which you convened for 27 February, would not have a purpose, Alija Izetbegovic stressed.

Opposition Parties Criticize Lisbon Agreement

LD2402221192 Belgrade TANJUG in English 2103 GMT 24 Feb 92

[Text] Sarajevo, February 24 (TANJUG)—Individual opposition parties in Bosnia-Hercegovina on Monday criticized an agreement reached among the Republic's three ruling national parties in Lisbon on Saturday on the future system in this multi-ethnic Yugoslav republic.

Judging by initial reactions, opposition parties are especially opposed to an agreement in principle that Bosnia-Hercegovina should be divided into several constituent entities formed along ethnic lines.

Muslims account for 44 percent of the Republic's population, Serbs for 31 percent and Croats, 17 percent.

The Muslim Bosnian Organization (MBO) today spoke strongly against 'any division of Bosnia-Hercegovina into cantons, ethnic states or any form of ethnically-pure territories.'

The MBO issued a statement in which it describes Bosnia-Hercegovina as a 'single state, with a single government and a parliament representing political parties rather than ethnic communities.' It describes 'all talks among representatives of the so-called ethnic communities in Bosnia-Hercegovina' as 'illegitimate' and their decisions as null and void.

The statement underscores that Alija Izetbegovic, the president of Bosnia-Hercegovina and of the Party of Democratic Action, which rallies Muslims, 'was not authorized to speak and take decisions' in Lisbon on behalf of Bosnia-Hercegovina's entire Muslim community, but only in the name of his voters.

The MBO describes Izetbegovic's acceptance of a 'division of Bosnia-Hercegovina' as a 'betrayal of state interests.'

The Presidency of the Bosnia-Hercegovina Socialist Democratic Party (SDP) opines that the Lisbon agreement has presented the citizens of Bosnia-Hercegovina with a fait accompli, usurping their inalienable right to decide about their own future.

Nobody has the right to take this kind of fateful decision in the name of all the citizens of Bosnia-Hercegovina and then interpret it as the political will of the people, says the SDP in its statement.

The party maintains that the 'protagonists of this historic irresponsibility' will have to organize a referendum to establish whether the citizens of Bosnia-Hercegovina want their republic to be split into three ethnic states or to be a 'single, democratic and sovereign republic of Bosnia-Hercegovina.'

President Interviewd on Relations With Turkey

NC2402134392 Istanbul MILLIYET in Turkish 10 Feb 92 p 7

["Exclusive" interview with Bosnia-Hercegovina President Ali Izetbegovic by MILLIYET correspondent Nazim Alpman in Sarajevo; date not given]

[Text] [Alpman] You attached significant importance to Turkey's recognition of Bosnia-Hercegovina. You got what you wanted. Are you happy?

[Izetbegovic] I thank the great Turkish people very much. Thank God. I am very happy and so is every citizen in Bosnia-Hercegovina. We owe that to Turkey.

[Alpman] Did you expect to be recognized before the referendum on 29 February?

[Izetbegovic] Yes. Foreign Minister Hikmet Cetin informed me in Davos that his government had decided to recognize Bosnia. Later, when I met Prime Minister Suleyman Demirel, he told me the same thing. They kept their promise, while Europe and the United States prefer to wait for the referendum. Recently I met Lord Carrington, who promised Europe will recognize us after we hold a referendum.

[Alpman] Turkey's recognition has strengthened the position of the Bosnian and Croatian peoples, who will be voting for independence, has it not?

[Izetbegovic] Yes, it has significantly strengthened our position. Recognition will mean a lot to the people's morale, bringing out into the open that Turkey will support us.

[Alpman] Do you expect problems after the referendum?

[Izetbegovic] Only the Serbian Democratic Party is opposed to independence, I mean only this party's officials... The overwhelming majority will vote in favor. Be here on 29 February to see for yourself.

[Alpman] What do you expect from Turkey?

[Izetbegovic] Economic relations must be established and improved. We have already agreed on the sale of textiles and benzine [as published].

Serbs Plan To Set Up Own Republic

AU2402194492 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 24 Feb 92

[Text] At the session of the Assembly of the Autonomous Region of Krajina held in Banja Luka today, representatives of 22 communes that voted in favor of joining the Bosnian Krajina adopted the following conclusions after a discussion that lasted several hours:

First, the setting up of the Serbian Republic in Bosnia-Hercegovina is accepted, but as a derived state entity [izvedena drzavna tvorevina] on which the Serbian republics or cantons will transfer part of their competences.

Second, the center of the Serbian Republic of Bosnia-Hercegovina can only be Banja Luka, as it is the biggest town on the territories of Bosnia-Hercegovina on which the Serbian people have an absolute majority.

Third, if the Serbian Assembly of Bosnia-Hercegovina does not adopt the aforementioned conclusions at its session scheduled for 25 and 26 February of this year, in other words, if Serbian Bosnia-Hercegovina sets itself up as a unitary state with its center in Sarajevo, a sovereign Republic of Krajina will be proclaimed on 29 February. The republic will establish relations with parts of Bosnia-Hercegovina directly.

Fourth, the Republic of Krajina wants all regions of the former county [banovina] of Vrbas and the communes of Derventa, Bosanki Brod, Teslic, Doboj, and Modrica to become part of the republic in the future, and perhaps some other communes from the Sava basin region and Semberija.

And fifth, in accordance with its constitution, the Republic of Krajina will establish relations with the republics that want to preserve the continuity of Yugoslavia.

'Escalation' in Rights Abuses as Referendum Nears

AU2402201492 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 24 Feb 92

[Text] Appealing to the citizens of Bosnia-Hercegovina to do their utmost so that the upcoming referendum is held in a peaceful, tolerant, and democratic atmosphere, the Commission for the Protection of Human Rights and Freedoms of the Assembly of Bosnia-Hercegovina has issued the following statement:

The commission points with concern to the escalation in violations of human and civil rights and basic freedoms in the republic in the domain of personal, political, national, religious, and social rights. This situation is deteriorating as the date for holding the referendum on the state status of Bosnia-Hercegovina is approaching.

It has been stated in some communes that the citizens will be prevented from taking part in the referendum and

expressing their political will. The commission will inform the relevant international organizations about every concrete case of disturbance.

Croatia

U.S. Accused of Blocking International Aid

LD2402145592 Belgrade TANJUG in English 1131 GMT 24 Feb 92

[Text] Zagreb, February 24 (TANJUG)—Zagreb daily 'VECERNJI LIST' accused the U.S. of being Serbia's 'advocate' and blocking international aid to Croatia 'when it needed it most'.

In the text headlined 'False Rhetoric and Buying Time', the paper notes that the U.N. peace troops failed to come to Croatia when absolutely necessary.

According to 'VECERNJI LIST', the U.S. false rhetorics—and the paper cites at this point examples of such rhetorics, that the 'conditions did not exist', that 'cease-fire was not being observed', that there was no 'political accord,' was to blame for this." By way of such rhetorics, the U.S. has 'bought time to test whether Serbia would in the end succeed in establishing militarily a new Yugoslavia under its own domination,' 'VECERNJI LIST' writes.

The paper explains this with the need on the part of the U.S. to maintain a kind of status quo in Croatia. 'In this way, the U.S. will preserve its influence in the Balkans, and indirectly Europe, through holding the Balkan fuse in its hands by way of U.N. troops,' concludes 'VECERNJI LIST'.

Letting implicitly the U.S. supervision over Europe's most sensitive region, Europe was losing influence over the future development events too, the paper sets out.

The U.S. was most likely to, when the 'dust settles', try to direct this towards a Balkan 'community of independent states', which some would describe as a 'new Yugoslavia', the paper forecasts

Recognition Discussed With U.S. Officials

LD2402134292 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 24 Feb 92

[Text] Hrvoje Sarinic, chief of cabinet of the president of the Republic of Croatia, has received Michael Habib, director of the East European desk in the State Department. In long and open talks, opinions on the arrival of the UN peace-keeping forces to the crisis areas in the Republic of Croatia were exchanged. The situation in Bosnia-Hercegovina, especially in connection with the agreement reached in Lisbon and the forthcoming referendum, were also discussed.

The Croatian side insisted particularly on the issue of the recognition of the Republic of Croatia by the United States, and it was stressed that the Croatian people would not be able to understand U.S. policy if the arrival of the UN peace-keeping forces was not followed by a formal recognition.

Michael Einik, U.S. consul general in Zagreb, and Robert Gravas, assistant chief of cabinet of the Croatian president, participated in the talks.

Osijek Commander Defends Army Behavior

92BA0516A Zagreb VJESNIK in Serbo-Croatian 8 Feb 92 p 2

[Interview with Branimir Glavas, Osijek defense commander, by Mirko Sajler in Osijek; date not given: "Who Can Return?"]

[Text] Break-ins into dwellings, looting, robbery, mysterious killings... everyday life in Osijek. People are frightened, they shut themselves up in their homes as soon as it starts to get dark. While in the daytime the laws of a law-governed state are valid in the capital of Slavonia and Baranja, at night they are replaced by the laws of the mafia. So far there have been more than 300 family dwellings, little cafes, private stores, and automobiles blown up, and about 180 dwellings have been broken into. Several people have been murdered, and their murderers have not been discovered.

The Fifth Column

Many punishable crimes have been committed by people dressed in the uniforms of the Croatian army. It is precisely for that reason that we interviewed Branimir Glavas, a fighting man and commander of Osijek's defense, a man whom the army esteems very highly and obeys.

"What is happening now in the city has made the people of Osijek uneasy. But it would be madness when all of this is happening under cover of night to attribute everything to the Croatian army. That is, it is well-known that the fifth column was very strong in Osijek, and its members are well-organized. They used telescopic rifles to fire on fellow citizens, they looted and they killed, trying to blame everything on the Croatian army. However, we are now quite seriously on the track of resolving that evil."

[Sajler] Surely you do not mean to say that all the Croatian soldiers are perfectly innocent?

[Glavas] No, not by any means. Even in our ranks there are individuals who by their actions have sullied the uniform they wear. The Croatian army was formed on the run, people joined its ranks without being screened. Defense of the homeland was the most important thing. But we will quickly eliminate all those who have used the uniform for dishonorable things. That is in fact why we have created the military police, which is already on the job. Internally, we have alerted all commanders to be

concerned about the behavior of their soldiers. I personally think that our army is not responsible for any more bad things than other armies in the world.

A large number of the crimes in Osijek are being committed by people who have nothing whatsoever to do with the Croatian army. Someone must see to them. The police administration and other institutions are responsible for preserving the law-governed state, above all the safety of citizens and their property.

[Sajler] Nevertheless, most of the dwellings abandoned have been taken over by members of the Croatian army. They have no papers, but they have entered the dwellings of others by force.

"We Will Try Deserters"

[Glavas] We will be against anyone staying in a dwelling who does not deserve it. But in the distribution of abandoned socially owned housing units, the families of those in the trenches, those on the first front line, must have priority.

They include most of the people who have lost everything. I will personally see that the right of tenancy is taken away from individuals. I know that my opinion is not shared by certain opcina leaders. But, I ask you, can the Serbs who have gone over to the other side of the barricade and bloodied their hands come back to Osijek again and live in this city? Only those who did not go over to the other side, regardless of whether they took up a rifle, will be able to return.

[Sajler] What about the Croats who left the city and went off where it was safe, leaving it to others to defend it?

[Glavas] The only criterion will be applied to those who have behaved cowardly. If the Serbs with whom we have lived so long have disappointed us, then as far as I am concerned all those who were able to defend Osijek and Croatia and did not do so are traitors and deserters. And they will lose the status which they had earlier: jobs, indeed even housing if it is socially owned. Those subject to military service who did not report will be tried as deserters. We are not trying to turn the Croatian army into some kind of privileged caste, the kind we had for many years after the NOB [National Liberation Struggle]. We simply want to protect the people from the trenches, so that tomorrow they will not be cheated and those on the other hand who did all this to them or did not prevent what happened from happening would not take away their right to housing, employment.... That is why we are angry at those who are calling to the Serbs to come back, making false promises to them.

[Sajler] Osijek and eastern Slavonia have suffered great destruction. Will there be appropriate distribution of the aid to renew the areas that have been damaged?

[Glavas] We will fight for that vigorously. We will not allow Slavonia and Baranja to be skipped this time, as occurred in the communist system. We know what Vukovar, Vinkovci, Osijek, and Nustar experienced.... Split, for example, cannot have priority over Osijek, nor can the money for rebuilding be used to brighten the facades of buildings in Zagreb. Look at Osijek, which was once a beautiful city, see what it looks like today. Its economy has been devastated and destroyed. Are we supposed to keep silent, are we going to be passed over? It is well-known where Croatia was defended.

Jovic Considers Krajina Policies 'Treason'

AU2402163292 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 24 Feb 92

[Report on news conference by Mirko Jovic, president of the Serbian National Renewal; place and date not given—recorded]

[Text] The greatest part of his news conference was devoted to the work of the current authorities in Serbia. Jovic frequently mentioned the word treason in connection with the authorities' policies, especially their policies on the Serbian Krajinas.

In connection with this, the Serbian National Renewal formulated three demands. The first is that the Republic of the Serbian Krajina be recognized without delay, that support be extended to the scheduled referendum at which the people of the Serbian Krajina would decide about the conditions under which they would accept the peace option of the United Nations, and finally, that representatives of the Serbian Krajina be enabled to take part in the negotiations in Brussels on equal footing. If the Serbian Assembly does not endorse these conditions, the Serbian National Renewal will join other opposition parties and add its demands to theirs.

Many questions referred to the latest agreement on the status of Bosnia-Hercegovina. Mirko Jovic holds the view that the agreement represents further fragmentations of the Serbian National being. Serbian people in Bosnia-Hercegovina did not approve this with their referendum.

The president of the Serbian National Renewal said that he has information according to which Slobodan Milosevic will soon propose to the Serbian Assembly to form a national salvation government. According to him, this will be a farce with which the leading opposition parties will agree. Opposition parties will get several ministerial posts. The Serbian National Renewal, as a monarchist party, welcomes the royal council that was founded by heir to the thrown, Aleksandar. Jovic did not have any information as to who the members of the council were.

Krajina Police Minister Supports Glina Assembly

92BA0510D Belgrade POLITIKA in Serbo-Croatian 13 Feb 92 p 12

[Article by Dj. Djukic: "The Meeting in Knin Was a Farce"]

[Text] Topusko, 12 Feb—During his visit in Banija and Kordun, Milan Martic, minister of internal affairs of the Serbian Republic Krajina, paid a visit today to Topusko. After talking with civilian and military authorities here, he also held a short press conference. On that occasion, Martic said that he is visiting the regions of Banija and Kordun on behalf of preparations to carry out the peace plan of the United Nations and for the arrival of the "blue helmets." As he put it, during his visit in this part of the Krajina he talked mostly about the tasks of the Krajina MUP [Ministry of Internal Affairs] in the context of the arrival of the "blue helmets."

"We are organizing everything so as to guarantee a peaceful life for all citizens in these areas. We must create the conditions as soon as possible for the economic development of the Krajina, where we anticipate the aid promised from the Yugoslav Presidium and economic entities in Serbia, which have already announced their aid to the Krajina. The conditions now obtain for the people to return who have fled to Serbia. I think there are no reasons for fear. It should be clear to everyone that the laws of the Serbian Republic Krajina and of Yugoslavia will be in effect here, and civilian life will be organized according to them," Minister Martic said.

He explicitly emphasized that the decisions in the meeting of the Assembly of the Serbian Republic Krajina held in Glina are binding on him as a minister in the government, and that the meeting in Knin was a real farce.

"I blame the stupid people in the Krajina government who have been wrongly interpreting the peace plan of the United Nations and warning the people that the chessboards will be coming back to the Krajina, when there is no question of that at all. One of them is in fact Uros Funduk, president of the Supreme Court of the Republic Krajina. Now it is all a matter of our organization, but most of the ministries in the Krajina government are not working on this at all," Minister Martic said.

[Box, p 12]

Posters and Leaflets on the Referendum

Knin, 12 Feb—Posters on the referendum in which the citizens of the Krajina are to vote on the peace plan of the United Nations have been put up in the streets of Knin today. In addition to the posters, leaflets are also being distributed, but the text of the explanation is the same on both documents. The explanation spells out what the two options on which the citizens are to vote would mean. Next to the first possibility, which presupposes that the UN peace plan would be adopted as qualified by the objection and proposals of the government of the Serbian Republic Krajina, the text reads: "Krajina outside any Croatia, the Serbs are free people, disarmament of territorial defense, the JNA [Yugoslav People's Army] would remain in Serbian Krajina, and the forces of the United Nations would be deployed on the line of the conflict." Alongside the other possibility, which assumes that the UN plan would be accepted in its entirety and unconditionally, the following definitions are printed: "Krajina in Croatia, the Serbs an ethnic minority, disarmament of territorial defense and surrender of arms to the Army or to the National Guard Corps of Croatia, departure of the JNA from the Krajina, return of the Croats to the police, and deployment of UN forces throughout the entire Krajina."

Banks, Monetary Trends Detailed

92BA0521E Zagreb VECERNJI LIST in Serbo-Croatian 13 Feb 92 p 4

[Unattributed article: "The Large Supply of Money"]

[Text] Zagreb—The liquidity of Croatian banks during last December was not essentially changed from the previous month. The exchange of money in the last week of December temporarily improved liquidity, and this in turn affected the average daily balances in the giro accounts of banks (up 27 percent in December) and the indicated average daily use of secondary sources of liquidity (down 15.6 percent).

Trends on the interbank money market in Zagreb at the same time, according to data of the Republic Bureau for Planning, Analysis, and Forecasting, have been showing a relatively high supply of money and high degree of meeting the demand (78 percent). In December, a rise of interest rates was recorded (136.45 percent on the average), although because of cheap money and primary note issue they are still very negative.

One innovation in the operation of the money market is the introduction of so-called afternoon hours, when short-term resources are borrowed between banks for a very short period of one day. During December, the amounts of these credits even exceeded five-day, 10-day, or 30-day credits, which up to that time were customary.

Total short-term credits of commercial banks in December rose 9.2 percent, and at the same time credits to the economy increased 8.9 percent. Long-term credits at the same time were down 2.4 percent, and here loans to the economy were down 1 percent. It therefore seems that the banks are bringing their credit activity somewhat more carefully into line with their dinar credit potential and their own liquidity.

Balances in giro accounts in December were up all of 16 percent. At the same time, funds of the economy rose 31.9 percent and that of other sectors 3.7 percent. This improvement in the relative liquidity of the economic sector should be taken with reserve in view of the exceptional circumstances concerning the exchange of currency.

This also affected the data on the money supply in Croatia, which also should be taken with reserve. That is, the estimate of cash in circulation, which we have had up to now, has been replaced by an actual figure on the cash

exchanged. Under those circumstances, the only indicator is the trend of deposit money (although even this was affected by the exchange of currency), which rose 20.6 percent in December. It should be said that beginning in January of this year all figures on the money supply in Croatia will be reliable.

Croatian Dinar Stability Discussed

92BA0521D Zagreb VECERNJI LIST in Serbo-Croatian 12 Feb 92 p 24

[Article by Dubravka Jurlina: "A Stable Croatian Dinar"]

[Text] The objectives of exchange-rate policy, which have to do with realistic valuation of foreign exchange, are being achieved satisfactorily in the Republic of Croatia. In view of trends on the foreign exchange market and the efficiency of the domestic economy under wartime conditions, the exchange rate of the Croatian dinar against convertible currencies has been stable.

The stability of the value of the Croatian dinar against the leading world currencies was its basic feature during the first 10 days of February. The value of the Croatian dinar against the Austrian schilling was unchanged over that period, while over the same period the value of the Croatian dinar rose 1.62 percent against the American dollar, 0.13 percent against the Swiss franc, and 0.27 percent against the Italian lira.

What is to be said about the trends of exchange rates of the currencies in the other republics of former Yugoslavia except that there are great differences in their exchange rates.

In the Republic of Slovenia, the Slovene tolar has a sliding exchange rate because of rising inflation and the tolar's frequent devaluation or because that is how the government of the Republic of Slovenia fixes it. It is fixed by adapting the official exchange rate of the tolar, which is determined by the Slovene government, to trends on the foreign exchange market. Since 8 October of last year, when the Slovene tolar was introduced as legal tender, three official corrections of the exchange rate of the Slovene currency have been made to bring the official exchange rate of the Slovene currency closer to the exchange rate formed in exchange offices. The present relationship is 52 tolars per mark in exchange offices, as against an official exchange rate of slightly more than 44 tolars per mark.

The foreign exchange market in the remainder of what was Yugoslavia, Serbia, and Bosnia-Hercegovina, because Macedonia is introducing money coupons as legal tender in settlement and payment, is recording a further drop in the value of the Yugoslav dinar [YUD]. Although a new devaluation of the Yugoslav dinar occurred at the beginning of February, it still has not sufficiently bridged the difference between the official rate established by the so-called federal government and the exchange rate on the so-called black market. Thus, on 4 February the official rate for the DM [German mark] in Sarajevo was YUD84.20, on the "black" market it was YUD115. There is a similar difference with the exchange rates of other convertible currencies, and so the U.S. dollar is being sold on the unofficial foreign exchange market for YUD172, as against YUD132.74, which is its official exchange rate. The CHF [Swiss franc] is worth YUD125 on the "black" market, but officially only YUD94.30.

Aside from the devaluation to reduce the difference between exchange rates, the "federal" government has resorted to yet another measure—withdrawing from circulation YUD40 billion, which resulted in a shortage of cash at the windows of commercial banks. The general price trend, the shortage of goods, and the actual economic collapse in the eastern portion of former Yugoslavia are in part the reason why the Croatian dinar, even though it is not on the exchange-rate boards in the remainder of former Yugoslavia, is becoming a currency increasingly in demand, and its value on the "black" market in Bosnia-Hercegovina is going as high as between 1.5 and two Yugoslav dinars. What is more, a further rise in the exchange rate of the Croatian dinar is expected because of the ever greater demand and partially also because of the indecisiveness of the Republic of Bosnia-Hercegovina in introducing its own currency, so as to protect its own economic interests against the consequences being inflicted on it by the increasingly valueless Yugoslav dinar.

Macedonia

JNA Attempts to Dismantle Phone Exchange Opposed

AU2502123992 Skopje Radio Macedonia Network in Macedonian 2100 GMT 24 Feb 92

[Text] We have learned from sources close to Macedonian Radio that the military authorities today tried to dismantle the automatic telephone exchange in the 4 July Barracks in Stip, contrary to the provisions of Point 10 of the agreement reached between Kiro Gligorov, president of the Republic of Macedonia, and Colonel General Blagoje Adzic in Skopje. The attempt was sharply opposed by ethnic Macedonian officers and civilians working in the Army.

In the barracks, ethnic Macedonian officers and civilians working in the Army are now deciding on whether they are for or against the Army. We have also learned that Garrison Commander Vidoje Milosevic commanded the operation of removing an armored vehicle from a military depot near Stip.

Montenegro

Prime Minister Comments on Referendum

92BA0516D Belgrade POLITIKA in Serbo-Croatian 15 Feb 92 p 7

[Article by D. Becirovic: "The Referendum Is a Commitment to the People"]

[Text] Titograd, 14 Feb—The basic principles concerning the joint state established by the leaderships of Montenegro and Serbia offer Montenegro full equality in a future democratic federation.

This statement was made today in a press conference on the anniversary of the election of the Montenegrin government by its Prime Minister Milo Djukanovic. He backed this up with figures on the bicameral assembly, in which the number of deputies in the chamber of republics would be entirely equal.

At the same time, the idea of electing deputies to the chamber of citizens on the principle of one man, one vote was given up, and instead a minimum number of deputies which a republic must have was proposed, and this is again more favorable for those which have fewer voters.

Guaranteed Equality

Djukanovic also said that the principles of the joint state do not affect the holding of the referendum. After all, the referendum is a commitment to the people, and it is only the citizens of Montenegro who can decide in what kind of state they want to live. Accordingly, it is a question of sharing responsibility with all the citizens for their future.

As for the joint functions of the future federation, in response to the criticism of certain journalists that it is not clear who will command the army, Djukanovic said that it would be realistic to expect that the supreme command would be the president of the state and the presidents of the republics, and the president of the joint state would probably be elected to a term of four to five years. Djukanovic mentioned, however, that all of these matters are to be regulated in a constitution.

Several questions were put to Djukanovic in connection with military operations around Prevlaka.

"The objectives of the war are crystal clear, and the causes are contained in at least three key reasons," Milo Djukanovic said.

He cited as those causes the immense concentration of Croatian paramilitary forces on the border of Montenegro in the summer and fall of last year, and then also the armed activation of those forces on the territory of the Republic of Montenegro. The second important reason is preservation of Yugoslavia as its homeland, and the third is protection of the Serbian people in jeopardy in Croatia.

Prevlaka Extremely Important

Zoran Zizic, deputy prime minister, told the journalists:

"Neither then nor now have we said that Dubrovnik is ours, but it is the Croatian Supreme Command that has said that the Boka is theirs."

In view of the broken and destroyed boundaries in Yugoslavia, the journalists were interested in whether there would nevertheless be cooperation with Croatia and Slovenia.

Milo Djukanovic said that certain suggestions are coming from the Slovenian economy about establishing relations between enterprises, but these relations will not be of the kind that existed with enterprises in republics that have not left Yugoslavia. There has been no initiative whatsoever from the Croatian economy. As for Prevlaka, Zoran Zizic, deputy prime minister, said that Prevlaka is at the door to the Boka and is extremely important to Montenegro. He says that Prevlaka has never been part of Croatia, because the army has always been on it.

Many questions were put to the Montenegrin prime minister in connection with "illegalities in the State Reserves Directorate." The prime minister said that in the State Reserves Directorate goods were sold under so-called exceptional provisions, and that means that all purchasers did not have equal access.

Milo Djukanovic announced a reconstruction of the government, perhaps even in the next session of the Assembly.

"If what has been said and written in the opposition press about alleged abuses being the reason for the change, then I would be the first to be changed." Djukanovic answered the remarks of the journalists about stories related to "ministerial abuses."

There was also talk about the economic situation. Milo Djukanovic said that Montenegro is successfully repaying its debts abroad, that the decline of production is less than others have experienced and that it could be stopped. He also reported that the two largest investment projects were in jeopardy: Jaz and Buljarice, although the government had prepared what was asked of it.

[Box, p 7]

Normal Supply

Montenegro will make purchases of wheat, flour, sugar, and oil from Serbia according to needs ascertained in order to supply Montenegro and eastern Hercegovina. That supply is to go through republic commodity reserves. Other goods will move without restriction, but the republics are committed to prevent further sale.

Serbia will be supplied aluminum, steel, and salt from Montenegro in accordance with the established balance sheets.

This is what Gomilanovic, Montenegrin minister for the economy, said today in the press conference.

Serbia

Rules on Foreign Exchange Transactions Prepared

92BA0521F Belgrade POLITIKA in Serbo-Croatian 15 Feb 92 p 7

[Article by Ljubodrag Cudomirovic: "New Regulations on Foreign Exchange Transactions"]

[Text] The news that by preparing bills of a number of laws in the area of foreign exchange transactions, credit relations with foreign countries, and foreign trade the government of Serbia has decided to attempt at least to put order in this area was a unique occasion for many buyers and sellers of foreign currencies to finally learn in this way that in future—if they had not learned it already—their trade will be severely punished.

Although before final adoption in the Serbian Assembly these bills will be presented for examination both to the Federal Executive Council [FEC] and Federal Assembly, which means that they might undergo certain changes, it is well-known even now that the main proposal for their preparation lies in the fact that Serbia cannot wait much longer for a final answer to the question of which parts of the "old Yugoslavia" will comprise the "new one." In other words, on what geographic-political-legal space the uniform regulations within the framework of foreign exchange rights and obligations of individuals and enterprises will operate and be valid.

The new law on foreign exchange transactions, when it is adopted, will be the first of its kind in Serbia, and it actually will replace the present federal law, which is thought to have given preference to the interests of certain republics which in the meantime have now separated from Yugoslavia.

The Dinar as Sole Legal Tender

Among other things, and this is nothing new compared to the federal law that already exists, it prescribes the dinar as sole legal tender in the country, while foreign currencies may be used exclusively to make payments abroad. The purchase and sale and also borrowing and lending of foreign currencies between domestic and foreign persons outside the existing Yugoslav Foreign Exchange Market are prohibited. To be sure, the present federal law also contains that provision, but, judging by practice in the economy and in many banks, or by what happens every day literally before the eyes of thousands of citizens at Zeleni Venac in Belgrade and on public bridges of other cities—where private currency merchants offer foreign exchange services—this is a regulation respected by few. Many of those merchants, thanks above all to the excessive work load of the police, are hardly even aware that they are actually engaging in a business that is not permitted.

In any case, the newly proposed republic regulation for the first time, then, envisages republic foreign exchange inspectors, who, it is believed, will presumably and finally bring "black" days for the currency merchants on the "black" market.

Careful Treatment of Foreign Currencies

By all appearances, the proponent of the law on foreign exchange transactions is now really determined to do everything he can to finally prevent the illegal buying and selling of foreign currencies, and to guide their flows through legal channels and, of course, to meet the most urgent needs of the republic economy for foreign exchange. It is with that same goal that up until recently all exporters from Serbia were required to sell 30 percent of the dollars earned outside to the National Bank of Serbia at the official rate plus the corresponding incentive.

The most recent decision of the FEC to devalue the dinar and also the most recent decision of the National Bank of Yugoslavia on the methodology for operation of the foreign exchange market have done away with the need to have a special incentive in effect for every enterprise required to yield a portion of its inflow of foreign exchange to the republic to meet the needs of its foreign exchange reserves. Nevertheless, the very need to possess the necessary foreign exchange at the republic level to import petroleum or, for example, medicine, still persists. Because giving up almost one-third of foreign exchange inflow was an excessively heavy burden for the exporting economy, this amount has been reduced to one-fifth of the inflow of foreign exchange, and that is also contained in the most recent decision of the republic government. The foreign exchange reserves of the republic built up in this way would be spent extremely efficiently, only for petroleum, the most necessary medicine, and the most indispensable production supplies, and only on the basis of special priority lists and specific decisions of the republic government.

In the National Bank of Serbia, they were not willing to talk about the actual amounts involved, because the republic balance of foreign exchange payments is just as overstrained as the one at the federal level. Nevertheless, they readily offered us numerous pieces of evidence that any amount of foreign exchange purchased from exporters is more than is being spent effectively. Almost like the folksaying: "Measure seven times, and cut once." Nor in the National Bank of Serbia did they conceal the opinion that this is the right solution to the present situation of invigorating production and on that basis increasing exports from the republic economy. The numerous measures which the government is preparing, then, have been seen more as an attempt to bring about elementary order in the disrupted foreign exchange market and thereby make it known to some extent that truly justified "appetites" for foreign exchange will actually be satisfied, before it adopts the future strategic decisions, whose purpose is to restructure the economy in the direction of exports.

Anniversary of 9 March Demonstrations Viewed

92BA0509D Belgrade BORBA in Serbo-Croatian 12 Feb 92 p 6

[Article by Svetlana Zelenbaba: "Arguments in Response to the Ideology of Coercion"]

[Text] The anniversary of what many consider the most important date in the existence of multiparty Serbia is approaching—the anniversary of the 9 March demonstrations. Celebration of that date is being announced by the Serbian Renewal Movement [SPO], and the demand of the Democratic Party [DS] that President Milosevic submit his resignation and that new elections be called for the Constitutional Assembly eloquently indicates that the opposition is once again digging in together in the same trench—with the purpose of changing the government in Serbia.

What actually happens on this 9 March depends, the analysts say, more on the "position" than on the opposition. The government by and large is not revealing its intentions, except for the statements in passing like that of Aleksandar Bakocevic that the demonstrations are being "prepared by the rightwing opposition, which has greatly shamed itself" and that that same opposition should "think it over carefully before it decides to bring down the government by violent means."

Everything Depends on the SPS [Socialist Party of Serbia]

It seems that the cards held by the Serbian opposition at this moment are clear: pressure from outside parliament in order to compel parliamentary changes, or, as Dragoljub Micunovic would say, "the taking of power by the ballot."

Prof. Nikola Milosevic, leader of the Serbian Liberal Party [SLS], is among those oppositionists who have always seen the nonparliamentary methods of struggling against the government as primary under our conditions. We recall that he was against running in the December elections under those conditions, and later, he was the most persistent advocate of the idea of opposition deputies walking out of the parliament. Today, he is fervently supporting the demonstrations announced for 9 March, and he is supporting both demands of the Democratic Party.

"What happens on 9 March depends above all on the incumbent party and its present leader," Professor Milosevic told BORBA. "If the incumbent party and its leader scrape together enough political wisdom to finally withdraw from the political stage and open up room for a truly democratic order, the demonstrations on 9 March next will be superfluous.

"If that does not occur," he continued, "which is likely to say the least, then the demonstrations referred to should be a kind of political and psychological pressure or warning to those who hold power in Serbia that, first of all, in their own interest they should realize all the necessary consequences of the disastrous and irreparable mistake they have made so far," Milosevic said.

"Of course," the leader of the SLS said in conclusion, "neither I nor the party of which I am the president think that anything good can come to Serbia from an armed rebellion or through bloodshed. The demonstrations on 9 March next have been conceived as one of those forms of peaceful pressure outside the parliament which have been practiced without hindrance in all democratic countries for decades now."

The Opposition Has Its Arguments

Prof. Dragan Veselinov, leader of the People's Peasant Party [NSS], has in his own way joined in the recent statements by Vuk Draskovic, leader of the SPO, who, after his return from America, asked what the demonstrations would be like, answered "Gandhian, with flowers and candles...."

"Nine March of this year could above all be a symbolic reminder of the tragedy which the government provoked in Belgrade on that date last year," Veselinov told BORBA. His party will join the people on 9 March, and it likewise supports the demands of the Democratic Party for Milosevic's resignation and new elections. In his opinion, the opposition has a greater need for lengthy parliamentary and firm organizational struggle with the authorities than it does for encouraging violence and spreading belief in violence as a solution to the situation in Serbia. The opposition, Veselinov says, has an abundance of arguments as political ammunition for disseminating its approach. This must not be gambled away either by unrealistically raising the temperature against the government, and least of all by nourishing the ideology of coercion. The capital gained, the NSS leader believes, should be spent sensibly and by taking positions in opstinas through political trench warfare.

The Reformists of Serbia have a similar position on all of this. Vesna Pesic judges that success of the DS proclamation requires that the democratic parties and civic associations work closely together. That cooperation is still more necessary, Mrs. Pesic says, to the 9 March demonstrations, from which, she adds, a new beginning is expected, especially by young people.

NIN Details Serbian Opposition Goals

Politics, Players Profiled

92BA0493A Belgrade NIN in Serbo-Croatian 31 Jan 92 pp 10-14

[Article by Zoran Miljatovic: "Where Is the Opposition Headed?"]

[Text] Regardless of the situation on the battlefield, the Serbian political scene will not be peaceful for a long time yet. The relationship between the government and the opposition that is disinclined toward it has had pathological contours for quite a long time now (to the

approximate measure of the Balkan view of politics), but the culmination, by all appearances, should be anticipated in the next two months. Following the hysterical elections, the paranoid postelection settlement of accounts, and a war that has been frustrating in every respect, new trials are coming for Serbia's political life.

Preparations in the top leaderships of the parties have been intensive in recent days. They are, above all, formulating their own answers to the question of what the results of the war are, and they are also defining their future tactics accordingly.

Certainly the Socialist Party [SPS] will have the most problems in this regard; for the first time it faces the consequences of its "intolerably lightweight approach to government," which it opted for without much resistance. What has been invested and what has been gained will be put on the scales, but the next question is classic: Did everything have to work out exactly the way it did? Judging by the answers given without any hesitation by SPS activists who have been making appearances all over Serbia, it did.

There is dissatisfaction in the public, it is even admitted by Mihailo Markovic, member of the academy and SPS vice president, in a statement for NIN, but he adds: "An attempt by the opposition to 'capitalize' on the resentment that exists now after international recognition of Slovenia and Croatia would not be successful. After all, this is a resentment toward those who made those decisions on recognition. The same citizens who supported Serbia's policy are not thinking even now that it could have been conducted differently."

There may be no occasion for the disposition of the public to be determined with greater precision until the elections (new parliamentary elections are being prepared in Croatia, and in Slovenia they have already been scheduled for 21 June). "Parallel to the federal elections, after the Constitutional Assembly of Yugoslavia is officially set up, local elections will also be held in Serbia, which is the most sensible and least expensive solution. These elections can be anticipated somewhere in late March or the beginning of April," Dr. Markovic said.

The Greatest Number of Undecided

For the present, the opposition is not insisting too much on local elections, postponed last year until more peaceful times. The Democrats, one gets the impression, are mentioning the elections to the Serbian Constitutional Assembly only as a matter of principle, but at the same time more and more frequently.... Dr. Dragan Veselinov interprets this by referring to the fact that the most recent events have lowered the rating not only of the Socialists, but also of the opposition, which in past months has not established a sufficiently clear distance from the "nationalistic project of the ruling party, which has now suffered defeat."

However, do more flexible projects than the project applied have greater marketability on the political market of Serbia even now? Both the government and opposition are uncertain about the answer, and the latter already sees as a nightmare another new defeat in the elections, no matter which elections. So, however much it frightens the government with elections, it itself is also just as afraid of them because they are a risk.

In recent days, the "inquiries" concerning the elections have nevertheless become more frequent. Dr. Dragoljub Micunovic said in a recent speech: "We have to enter the new elections just as we must look each other in the eye when the war is over. If within three months from the arrival of the 'blue helmets' and demobilization of young people the government does not schedule opstina elections, the Serbian opposition will be compelled to practice civil disobedience and go back into the streets."

Public opinion surveys show only a partial picture of the mood of the electorate. They show that the SPS is the favorite of the elderly, the SPO [Serbian Renewal Movement] and the Serbian Radical Party [SRS] (Seselj) with the youngest. Slobodan Milosevic is most trusted by pensioners, least trusted by the unemployed. During the most important conflicts of the war, in late October, about 64 percent of the population favored peace at any price, only 27 favored a war to victory. Nevertheless, at that time the Serbian Radical Party had gained many adherents, so that calculations indicated that it and the SPS were together attracting 44 percent of the electorate, the Democrats and SPO only 19.8 (24.3 in the elections held in December 1990). The radical national wings of all the parties (7 percent of the SPS's sympathizers) have come over to Vojislav Seselj, who achieved his maximum in September (since that time he has shown a steady drop, and probably an additional drop in view of his markedly compromised position in recent days).... Nevertheless, the undecided make up the largest group, concerning whom, again resorting to analogies, Dr. Mihailo Markovic said: "The events which are now behind us have not brought about a change in the political mood of the population of Serbia. There is a high percentage of those who do not know for whom they would vote, but that was also the case before the 1990 elections, which the Socialist Party then won convincingly."

The war has contributed to political life in Serbia in that it has accelerated a clearer definition of the parties. Although the restructurings have at times been too abrupt, so that parties "always committed to peace" were for policy being conducted with weapons, and those who glorified the power of the sharp saber were calling for diplomacy.

Tales About a Split Are Exaggerated

The second act will probably be played out in February and March.

Serbia's Reformers are announcing a reorganization, a change of their name, and also unification with certain parties.

The Democrats will form ties with New Democracy—Movement for Serbia and with the Reformists in Vojvodina. This party is announcing for the beginning of February a more detailed reexamination of its own strategy. The decision to undertake this is certainly the result of adaptation to the new postwar conditions in which it operates, but neither should the possibility be rejected that there has also been an impact from the criticism addressed to this party in recent months—that it is compromising, that in the most critical moments it acts awkwardly and for all practical purposes helps the authorities (for instance, during the period when the Declaration of the European Community was being assessed), that it has not been definite enough concerning the war....

Dissatisfaction cropped up even in the very top leadership of the party, so that at a meeting of the Main Committee in Vrnjacka Banja debate of confidence in Dragoljub Micunovic was called for. Most of those present, it is said, were in favor, but the number present did not meet the quota called for in the bylaws.

Regardless of how justified those criticisms are, stories about a split in the Democratic Party are nevertheless exaggerated. Those who were dissatisfied have already left it, the lack of coordination in the moves of the very top leadership, which at times is easy to spot, can better be explained in terms of tactics and division of "tasks and work duties" (Vojislav Kostunica is responsible for cooperation with the SPO and the like).

The rise in its popularity has nevertheless been steady and stable, and it is holding on to the place which it has taken in the political gamut practically without noticeable competition.

What is more, there are quite a few politicians in its ranks whom any "good householder" in Serbia would be glad to see at the top level of the state. Or at least he can imagine them there, which cannot be said of the leaders of most of the other parties.

In a free interpretation of the words of Dr. Dragoljub Micunovic, this party's hibernation, at least partial, is over, its main features and political desires have been defined (a sovereign Serbia in its present borders, with maximum concern and guarantees for Serbs outside the homeland...), and it is expected that the Democrats will launch a full-scale offensive during February.

If one is to judge by Micunovic's meeting with Babic and Karadzic, an attempt will be made to shake the government even in that area where until recently it was untouchable.

Dragoljub Micunovic is not one who likes to carry the political struggle into the streets (although, as we have seen, he knows how to use it as a threat, as in the case of the "failure to hold elections within three months"). His party did not make any decision at all on participation in the demonstrations on 9 March, but he has been making very definite statements about that: "The situation is different from last year. Now Yugoslavia is being torn apart, and we have other actors on the stage, from the refugees to the paramilitary formations. Anyone who does not respect the dangers that threaten on that account will have to take the responsibility for the possible entrance into civil war."

This will probably bring an avalanche of accusations down on him, if for no other reason than because it is risky to make a direct connection between the organizing of demonstrations, regardless of which, with civil war, but he thereby has not departed from his well-known tttantirevolutionary commitment and advocacy of struggle through institutions.

But even the Serbian Renewal Movement, it should be said, in announcing that on 9 March, the third day of its party's convention, it will organize a protest rally on Republic Square (perhaps even Aleksandar Karadjordjevic, heir to the throne, will be present), while presenting new demands to the authorities, is not calling for a demonstration exercise of "bringing down the government in 24 hours" (although, to be sure, there are individuals in that party who have said that "Slobodan Milosevic cannot emerge from internal unrest as the victor").

The road that the SPO has traveled, following its leader Vuk Draskovic, is so long that it already belongs in textbooks of political theory and practice. Nevertheless, it cannot be disputed that the antiwar positions which it has been advocating intensively in recent months correspond quite well with the present situation, that is, with what the war has brought about, and that the SPO will gain new adherents in the days to come, replacing the numerous ones who have left it.

Poor Practitioners

The government is not worried about that, demonstrating once again that its favorite mode of reflection is that of the "outdated system." The threat of a court case against Vuk Draskovic, uttered through the person of the SPS vice president (after his numerous "creative departures," many people are already asking whether Dr. Mihailo Markovic is not already an opposition figure who has infiltrated the ranks of the SPS), cannot be justified in any political tactics. Gaffes are possible in politics, but the skill lies in knowing how to take advantage of them. Vuk Draskovic has already shown he knows how.

Preoccupied at the moment with trips around the world, he undoubtedly can hardly wait for 9 March to "collect" for the many insults sent his way without any barrier. Time will tell whether he will be sufficiently wise not to seek immediately more than is realistic.

The next month and a half will also be a time for testing relations within the opposition. Fragile coalitions have fallen apart quickly so far, covert rivalry has flared up, and so it is a logical question what kind of cooperation there would be if any of these parties should by some

chance take power. There remain only a few low-level contacts. The cooperation in Belgrade city elections between the Democratic Party and the SPO, for example, is extremely good. Vladan Baltic, chairman of the Democratic Party's Belgrade City Committee, has told NIN: "In some things, we act jointly, and if we want to act independently, we notify the other side. The essence is that there must be no low blows, no moves made behind the other's back."

Sometimes decisions on cooperation or the lack of it are made by misunderstandings: When they recently decided to react jointly to the increased political violence in Belgrade, the opposition leaders did not manage even to meet—three were meeting in one room, and three more, because of a mix-up, met in another neighboring room.

The opposition in Serbia, led more by opposition intellectuals than by opposition politicians, relying as it does on eloquent critics, but poor practitioners, remote from the people, has so far skirted that area which is most painful for the government—the standard of living and the entire set of interrelated pocketbook issues (the number of unemployed is increasing, there are now 650,000 of them, and about 500,000 people are already looked upon as technological redundancy). In England at the moment, we might mention, taxes are the main election campaign topic. At the same time, the opposition has restricted its activity to speechmaking, occasional rallies, the Assembly, and whatever they can pick up from the media.... No party has managed in a year to intrude even some recognizable sign or symbol of its own (except to some extent the SPO—the three fingers). Relying too much on leaders or small party oligarchies, made neurotic by the full-court press of the government and its helpers, it has suffered (and now suffers?) from unrealistic demands and unrealized desires. But even that is a price which has to be paid in a society with a low level of political culture, with not enough experience, and with blunted feelings.

Hatreds Are Multiplying

Dr. Dragan Veselinov "offered a recipe" to the opposition back in May of last year, but he also warned: "The nationalistic opposition must force Slobodan Milosevic to fall short with his program by making the transition to peace platforms, inviolable internal borders, guarantees of civil and ethnic rights for everyone, a guarantee to establish ethnic autonomies from Knin to Serbia—instead of an expanded Serbia and conflict. Just think of the defeat the opposition will suffer in the coming elections if all of this is taken over by Milosevic, as he frees himself from the exhausted nationalistic program! Milosevic as the real reformer, as the Social Democrat, as the peacemaker, as the guarantor of borders, as the Yugoslav and European, would sweep everything before him. The opposition would be sent to the museum in a few weeks with its 'Serbian question....' There would be Milosevic big as life in the democratic center." A reflection worthy of attention, especially today.

Dr. Leon Kojen recently defined the key themes of the coming elections: "The question of responsibility for the present war and its outcome for the Serbian people on the one hand and the question of Serbia's political and economic system on the other," and he saw an opportunity for the opposition in "surmounting its divisiveness and finding a balance between criticism of the government at any price and a reasoned defense of vital national interest."

Public opinion, divided anyway, will be put to a great test once again when it must decide on what at the moment is the essential difference between the government and the opposition—concerning the future status of Serbia and the manner and degree of its linkage with the others. Interpretation of the consequences of the war almost pales compared to this.

The weeks to come will have to clear up all this. The strength and stability of the government (and its arguments), which the opposition has often been inclined to underestimate, will certainly be tested. Nevertheless, the last word will go to the voters in the federal and local elections, or perhaps, but not very likely, elections for the Constitutional Assembly of Serbia. If many stay home, this will be yet another piece of evidence that the sense of helplessness in the face of centers of "high-level politics" is surviving, and a deadening fatalism along with it.

The unending convulsion of the Serbian political scene is thus still going on, hatreds are multiplying, and tolerance, never excessive in any case, is fading more and more with every passing day.

Interview With Markovic

92BA0493B Belgrade NIN in Serbo-Croatian 31 Jan 92 pp 10-11

[Interview with Mihajlo Markovic, Serbian Renewal Movement deputy, by Bogdan Ivanisevic; place and date not given: "'A Decision in March-April'"]

[Text] [Ivanisevic] What can we expect on Serbia's political scene now that the truce is relatively stable in the krajinas and after the international recognition of Slovenia and Croatia?

[Markovic] The international recognition of Slovenia and Croatia cannot have much impact on the internal situation in Serbia. After all, in Serbia a tense atmosphere has prevailed anyway, much of what has happened in past months was unclear (was Serbia at war or not, a lack of clarity about the correspondence between Milosevic and Babic, and so forth).

The activity of any opposition party under these circumstances is hindered quite a bit by the government itself.

The Serbian Renewal Movement [SPO] has dedicated itself to activities concerning foreign policy. Thus, on 25 January a delegation led by Mr. Draskovic traveled to the United States, and in February there are visits to Bonn, Budapest, and Paris. In Serbia, the party's activity

will mainly be devoted to preparation and organization of the extraordinary convention of the SPO, which is scheduled for 7 and 8 March.

As soon as we say "extraordinary" convention, it is clear that certain things have been noted which should be changed. Between now and the extraordinary convention the party will go through a very thorough analysis of what has happened in the past year. There will not be any great changes in the way the party operates, nor in its program (although the fact of the disintegration of Yugoslavia demands, of course, additions to the SPO Program). There will be changes in the work done by people in the party. Members of the party and their assemblies, just like the extraordinary convention, will evaluate how the various committees and various individuals have performed. A new party leadership will be elected in the convention, or the old one reaffirmed. A complete economic program of the SPO will also be presented.

[Ivanisevic] What is the strength of the SPO today, before the convention?

[Markovic] In my opinion, at this moment the SPO is stronger than ever, both in its prestige and in the acceptance of what we do and how we do it. We are also stronger than in the euphoric period before the election, in December 1990. The party's president deserves most of the credit for that reputation. Some of the committees have not been able to keep up with what he has been doing, and that is one of the reasons why there will be certain changes.

[Ivanisevic] Nevertheless, there is quite a bit of talk in public about erosion of the membership of the SPO.

[Markovic] I think that erosion of the membership has been minimal. The people who have left the party were unable to withstand the pressure of politics and the pressure of the government. When the SPO began its activity, those who came to it never thought they would be working under these conditions. Nevertheless, over this year since the SPO has been a parliamentary party, we have gained many more sympathizers and—this is a standard of performance of any party—we have managed to turn into sympathizers and friends of the party many who were until yesterday against it or who thought differently.

[Ivanisevic] Let us go back a little to March which is ahead of us. The convention is on the 7th and the 8th, and on 9 March?

[Markovic] It is an obligation of the SPO and a demand of the entire democratically committed public that 9 March be commemorated. The intention of the ruling party and its satellites is to portray 9 March as a day of new bloodshed in Serbia. We are aware of the risks, but none of us in the democratic opposition is even thinking of the kind of demonstrations that could escalate into vandalism—nor did we desire that even last year, when the government took advantage of the occasion to settle accounts with the opposition.

[Ivanisevic] What is the attitude of the SPO toward possible new elections in Serbia?

[Markovic] The public of Serbia quite recently, through a statement of the president of the SPO, had an opportunity to learn of our demand for the holding of new elections. The year that is now behind us shows that this kind of government and this kind of parliament have not justified the confidence of the voters. The Serbian Assembly ought to be dissolved (which is a constitutional power only of the president of the republic), and then local elections linked to republic elections.

March and April, then, would be the period for arriving at a final resolution of this situation—the fall of the government, dissolving the parliament, and calling new elections. Great responsibility also falls on the president of the republic. Because this is the second term which he has entrusted to the government of Serbia, and there have been no results. It cannot be any justification for the authorities that the war has prevented accomplishment of economic and other promises, because Serbia is not at war—according to the official interpretation of the government.

[Ivanisevic] Various speculations are circulating about regroupings on the opposition scene.

[Markovic] The opposition should unify around a single objective—getting the Socialist Party out of power—so that then the party which wins the elections and the other parties could above all present their programs and make them known to the public.

Size, Rank Within Parties

92BA0493C Belgrade NIN in Serbo-Croatian 31 Jan 92 p 12

[Unattributed article]

[Text] We have attempted to verify to what extent the thesis that party life in Serbia is based on leaders can be proven by the size of the rank and file of the various parties. The figures which we obtained from party headquarters should be taken with reserve because of the relative nature of the figures (records not in order and so on), which says something, but also because in some cases they were reluctant to give them to us (Serbian National Renewal). In the Democratic Party and the Serbian Renewal Movement, they emphasized that the figures which they gave do not include sympathizers, but only those who have acquired the status of "real" members by paying their dues and in other ways. The Socialist Party of Serbia is in the process of organizing its most recent figures, but those which we are publishing are for June of last year.

Socialist Party of Serbia	428,164
Serbian Renewal Movement	70,000
Democratic Party	30,000
Serbian Radical Party	80,000
Democratic Action Party	132,401
Democratic Community of Vojvodina Hungarians	25,000
League of Communists—Movement for Yugoslavia	70,000

Interview With Kostunica

92BA0493D Belgrade NIN in Serbo-Croatian 31 Jan 92 pp 12-13

[Interview with Vojislav Kostunica, vice president of the Democratic Party, by Bogdan Ivanisevic; place and date not given: "Elections as Soon as Possible"]

[Text] [Ivanisevic] In the meeting of the Main Committee of the Democratic Party [DS] in early December, it was stated that the Democratic Party, as a civil party, has been almost frustrated in its activity because of the restricted "room to maneuver" under wartime conditions. Has anything changed in that regard now, after the truce which has lasted a few weeks?

[Kostunica] That statement applies only to those activities of the party which are related to work in the Assembly, above all preparing the ground for the early elections for the Constitutional Assembly of Serbia—which is still the main objective of the Democratic Party's activity.

Accordingly, when it comes to the early parliamentary elections and the regular, but postponed, local elections, wartime conditions do not provide sufficient space for the activity of civil parties, including the Democratic Party. Incidentally, the Democratic Party was among the parties which favored the postponement of local elections.

[Ivanisevic] Which elections have priority—those for the Constitutional Assembly of Serbia or the local ones?

[Kostunica] The usual order is for constitutional elections to be scheduled simultaneously with local elections. A mistake was made back in December 1990, when only elections for the Serbian Assembly were scheduled. Because in the transition from a regime which was not democratic to democracy, two types of elections had to be conducted side by side, so that one side of the old government would not be able to influence the course of the elections. That was possible in our case in December 1990 in view of the fact that the opstina structures had remained unchanged, and they are the same even today. Some of the other republics have in this regard taken the road which should be taken (like Montenegro, where the parliamentary and local elections were conducted side by side). Now, by happenstance these types of elections will perhaps come closer together, but I think that at this point the advantage should be given to the "constitutional" elections, because the republic institutions have demonstrated their ineffectiveness and undemocratic character, having made it possible for certain decisions about the vital interests of Serbia and the Serbian people to be made within the limits of just one institution—the institution of the president of the republic.

[Ivanisevic] Representatives of the ruling party came forth the other day with a different project: creation of a constitutional assembly in order to adopt a new constitution of Yugoslavia by representatives of the republic assemblies, adoption of a constitution, and then federal elections together with local elections in the republic.

[Kostunica] That is a political move that was not thought through. From the legal standpoint, this is a completely illegal and illegitimate proposal. Yugoslavia does not exist, that is reality. All the factors that influenced its disintegration, outside the country and in the country, outside Serbia and in Serbia, and not just in recent years, are well-known, but that is a less important question now than a fact that is like granite: that Yugoslavia does not exist and that we should be resolving those more urgent questions of the very existence of the Serbian people.

In practice, this means establishing Serbia's sovereignty as a state and the attempt to correct something that was not done when the decision of the European Community on recognition of Croatia and Slovenia was accepted—and that is to find guarantees for the political security of the Serbs in the krajinas and for their future right to political self-determination.

[Ivanisevic] When should the elections of which you spoke be held?

[Kostunica] I think that the only answer can be that the time, especially for the parliamentary elections, has practically passed, which means that they must come as soon as possible. The local elections will come of themselves, that is something on which the ruling party will not drag its feet, because elections can be expected quickly after the war is over. Any procrastination with these elections would be harmful to the ruling party, which would have to confront several disastrous consequences of the war (political, social, and economic). They can be acceptable to the Democratic Party only provided there is equality of access to the media and in the financing of the political parties.

[Ivanisevic] Has the leadership of the DS committed itself concerning participation in the demonstrations that have been announced for 9 March?

[Kostunica] The question of taking part in those demonstrations has not been taken up. Should the need arise, it could be put on the agenda for the meeting of the Main Committee of the Democratic Party in early February. That will be an important meeting on matters of the political strategy of the DS. In that meeting, the Declaration on the Political Future of Serbia will be definitively adopted along with another document that is

concerned with the political strategy of the DS—(activity outside parliament, cooperation with other opposition parties, and so forth).

[Ivanisevic] How do matters stand with the return of Aleksandar Karadjordjevic, the heir to the throne?

[Kostunica] That has not been debated either. The DS took part in organizing the welcome of Crown Prince Aleksandar in Belgrade on the premise that there is a need to correct certain historical injustices—in this case, toward an extremely important family in Serbian history—and in this case the participation of the Democratic Party in the welcome has been conceived.

Thus, participation in the welcome seemed like a democratically civilized gesture, while the party itself is neither republican nor monarchist, it has nothing against either of these two forms of government if they lead toward establishment of a democratic order.

[Ivanisevic] Has the national policy of the opposition been clearly set off from that of the SPS?

[Kostunica] Yes. The extent to which our policy, in view of the blockade in the media, could have its impact and the extent to which that distinction has been sufficiently emphasized is another matter.

But the distinction exists. It consists above all of contesting the way in which national policy has been conducted up to now—without consulting the broad public, without consulting the Serbian Assembly, without taking into account the opinions of the main intellectual potential in society, without respect for the polycentric character which Serbian national policy must have in view of the differences in interests, nature, and culture of the Serbs in Serbia and the Serbs in the Yugoslav diaspora.

[Ivanisevic] Are the reports true that the Democratic Party is conducting negotiations with certain other parties on establishment of firmer cooperation and even on fusion?

[Kostunica] Now that more than a year has passed since the elections, the party situation in Serbia has cleared up considerably. Under conditions that are undoubtedly unfavorable for party activity, under the conditions of inequality of the parties instead of party equality, only a few party organizations have survived—commensurate with their own political strength. Not only differences, but also similarities in program have become evident. Several new deputies have joined the deputy club of the Democratic Party, and negotiations are being conducted with parties with similar programs concerning coordination of joint activities. I am referring to the Vojvodina Reformists, who have two deputies in the Serbian Assembly, and to New Democracy. That kind of cooperation can be expected to bring them closer together in their program, all the way to programmatic unity.

Conflict on Right

92BA0493E Belgrade NIN in Serbo-Croatian 31 Jan 92 p 13

[Article by Uros Komlenovic]

[Text] The prolonged idyll on the Serbian political right has been suddenly shattered by the conflict between Vojislav Seselj and Mirko Jovic. Jovic cut the first groove in the ultra-Serb monolith with hammer and chisel when he said that Seselj's volunteers were coming over in large numbers to the ranks of his "Dusan the Strong" detachment. The vojvoda, of course, did not fail to reply in kind, asserting that the "Dusan the Strong" does not exist and that the SNO [Serbian National Renewal] is exaggerating its strength and influence. At the same time, both of them face internal party problems, but, while the Radicals reacted quickly and with an "iron hand," suspending Slobodan Pantelic, deputy chairman of its local committee in Loznica, who had dared to criticize the vojvoda's public statements, the split in the SNO seems deeper and more serious. That is, in the press conference of this party, after the shocking statement of Mirko Jovic that "the embassies of Bosnia and Croatia will be blown up if these republics are recognized within the administrative borders of Tito's Yugoslavia," Ilija Gligorijevic, vice president of the SNO, asked for the floor and said that Jovic is not the legitimate representative of the party. "Jovic is supported by only 10 percent of the members. We are not a terrorist organization, but a party which is working on Serbian renewal," Gligorijevic said on that occasion.

Jovic hit back: The managing board of the party suspended Gligorijevic, who is not sitting on his hands, but is showing newsmen a photocopy of a letter which shows that the leader of the SNO took a "leave of absence" from his presidential office back on 8 October of last year, following the party's assembly in which Jovic's program and bylaws "did not pass." Gligorijevic and his wing also have the official stamp of the SNO, but Jovic enjoys the support of Dragoslav Djokan, leader of the "White Eagles." Djokan told NIN: "I think that we must not forget our basic function—representing the view of a number of Serbian nationalists, who cannot reconcile themselves to compromises, especially not with this kind of NDH [Independent State of Croatia]. Everywhere—on the street, in restaurants, in public transportation—one meets people who would blow up everything. Accordingly, we must represent that view and we do not have the right to our personal opinion."

Djokan, incidentally, does not believe that the split in the SNO is particularly important:

"When a man joins a party or movement, he does not ask about its program, but he commits himself according to the person who leads the organization. People do not have an attitude toward the SNO, SPO [Serbian Renewal Movement], or Radical Party, but they present themselves as Jovic's people, Vuk's people, and so on. What is

more, they join the party with all their habits or conceptions and they do not want to adapt to the party's program. That is why it is nonsense to talk about a split in the SNO—no president could have the influence of Mirko Jovic, who created the party."

Djokan comments similarly on the fact that Gligorijevic disputed his legitimacy (the bylaws of the SNO provides that only persons between 14 and 21 years of age may be members of the "White Eagles," but Djokan is 30). But even if one could accept Djokan's explanation, one gets the impression that differences on the right are not merely cosmetic. It is indicative that a division and conflict should occur immediately after the correspondence between Milosevic and Babic. Jovic has openly aligned himself with Babic, making available to him his armed formation, while Seselj, restrained at the outset, has clearly shown whose "side he is on" with his acceptance of the Vance Plan (he called it the "lesser evil"). Rapidly changing his image as a lover of rusty spoons, the vojvoda even declared: "As for the statements of the leaders of the SPO concerning terrorist attacks, we are absolutely against that and any other form of violence except on the battlefield."

Without getting into the sincerity of Vojislav Seselj, it seems that he has felt where the wind was coming from and "realigned himself on the run." Time will tell how long his peacefulness will last, but it is certain that the conflicts of the right will not cease so easily and quickly. There remains only the hope that the "sworn defenders of Serbism" will not resolve their differences with the "tried and true" method of using weapons.

Slovenia

Rupel Meets With PRC Foreign Minister

AU2402193092 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 24 Feb 92

[Edo Zitnik report]

[Text] The talks between Foreign Minister Rupel and his Chinese colleague, Qian Qichen, which lasted for more than an hour, have revealed that Beijing, in spite of what superficially seems to be an intransigent stand toward the resolving of the Yugoslav crisis, is slowly accepting the facts.

According to Qian Qichen, Yugoslavia, just like the Soviet Union, simply no longer exists as a whole. Therefore, Beijing can no longer persist in something that is impossible. One could conclude from today's talks between Rupel and Qian Qichen that this seemingly modest but with China's circumstances not insignificant change will in many ways be reflected in China's future policies toward Slovenia and other Yugoslav republics.

Beijing wishes to retain good contacts with the Yugoslav republics in the future regardless of how they regulate their mutual interests. For this very reason Minister Qian Qichen displayed interest in the current political situation on the Yugoslav territory. Minister Rupel gave an explicit analysis of current affairs with an emphasis on the Slovene stands, of course. In this context, Rupel stressed the significance of Slovenia and Croatia's recognition, which, although it seems contradictory to the Chinese side, resulted in the cessation of military operations.

Minister Rupel also handed a special note to Qian Qichen in which Slovenia is again asking China for political recognition, which is justified with political factors. It is clear that in this context it was impossible to ignore the role that China is playing on the UN Security Council and in other international institutions. The answer on the first visit of this type could not be clear, of course. However, Qian Qichen's remarks that China will carefully examine our request and that recognition will certainly be extended at the right time mean a lot.

As Qian Qichen is a well-known sympathizer of the Nonaligned Movement, Minister Rupel also presented him with the Slovene strategy toward the movement in which Slovenia is seeking the status of observer. It seemed that Beijing did not have any special objections on this matter.

The two sides also stressed the importance of mutual economic cooperation, where Slovenia could offer a lot to China, bearing in mind that Slovenia and some Chinese provinces have cooperated successfully in past years. Tomorrow Rupel will be received by the Chinese minister of foreign economic relations and trade, will continue his talks at the Institute for Foreign Politics, and will meet with representatives of Slovene business in Beijing. Rupel will then travel to Japan in the afternoon.

Presidency Discusses Defense Issues

92BA0531D Ljubljana DNEVNIK in Slovene 4 Feb 92 p 4

[Unattributed article: "Defense Readiness"]

[Text] Ljubljana, 4 Feb—The Presidency of the Republic of Slovenia, at a meeting also attended by Ministers Igor Bavcar, Janez Jansa, and Dimitrij Rupel, and acting chief of the Republic Territorial Defense Headquarters Janez Slapar, discussed several important documents on the subject of defense. In response to a proposal from the Ministry of Defense, it adopted decisions which, in the present situation, are urgently needed for the activity of territorial defense and the republic's other defense structures, and also for timely and rational planning of the development of the defense forces of the Republic of Slovenia. In this regard, the Presidency noted that it would not be possible to perform several urgent tasks in the defense area and to ensure satisfactory security for the Republic of Slovenia if a decision were not made as soon as possible on ensuring the necessary funds in the republic budget for 1992.

The Presidency decided to warn the Executive Council and the Assembly about this issue.

At the meeting, the Presidency adopted a report on the combat readiness of the headquarters and units of the Slovene Republic's TO [Territorial Defense] in 1991, a proposal for the size and structure of the territorial defense of the Republic of Slovenia, and guidelines for preparation and training for defense and protection in the Republic of Slovenia in 1992. At the proposal of the Executive Council of the Assembly of the Republic of Slovenia, the Presidency adopted directives on measures for readiness for emergency situations and a direct danger of war. All of these documents were prepared in accordance with the starting points of the plan for the national security and defense of the Republic of Slovenia which the Presidency of the Republic of Slovenia adopted on 29 November 1991, and which represent, on the basis of the constitution and the laws, the basic document and guideline for the state's activity in the area of defense. It was noted at the meeting that in accordance with the new constitution, a comprehensive legal system would have to be prepared in the area of defense that would correspond to the security needs of the independent state of the Republic of Slovenia.

The Presidency also gave its consent for the establishment of a school for noncommissioned officers in the Republic of Slovenia's territorial defense forces, and adopted a decree on the distribution of ranks and the promotion of a sizable number of officers in the TO of the Republic of Slovenia.

At the meeting, the Presidency was also informed about a report from the Interior Ministry on the implementation of the citizenship law, as the public communique also stated.

Exchange Passbooks Valid in Three Countries

92BA0531A Ljubljana DNEVNIK in Slovene 13 Feb 92 p 5

[Article by Deodat Snoj, chief of Abanka's section for conducting business with the public: "Trilingual Foreign Exchange Savings Passbook"]

[Text] Ljubljana, 13 Feb—Abanka is introducing an interesting foreign exchange savings passbook. It is trilingual, in Slovene, German, and Italian. It provides the possibility of savings in Slovenia, Austria, and Italy.

On 7 February, a contract on foreign exchange savings deposits was signed with Raiffeisenverbank Kaernten, and preparations for signing an identical contract with Cassa di Risparmio di Gorizia are in the final stage. The passbook also formally emphasizes the connection among the areas of Slovenia, Austria, and Italy.

The new passbook is issued by Abanka. Abanka and the depositor enter into a contractual relationship according to Slovene regulations. Abanka guarantees payment of funds within the limits of the assets in the passbook at all of its branches, and, according to the contract, at the branches of Raiffeisenverband Kaernten as well, and when a contract is signed, also at the branches of Cassa di Risparmio di Gorizia. The foreign exchange passbook is filled out in one of three currencies, namely the Austrian schilling, the Italian lira, and the German mark. Payments are possible only in the national currency of the state in which the depositor withdraws the funds, and in all three currencies at Abanka. In Austria, deposits and withdrawals will be possible at all branches of Raiffeisenverband Kaernten and the banks associated in it (RAIBAS), i.e., at more than 200 branches in Carinthia, and in Italy at first at the central branch of Cassa di Risparmio di Gorizia in Gorizia, at the Vrtojba border crossing, and in Trieste. In Slovenia, of course, deposits and withdrawals will be possible at all of Abanka's 30 branches.

Abanka will start opening the new foreign exchange savings passbooks on 24 February 1992.

Interior Ministry Proposes Budget for 1992

92BA0531C Ljubljana DNEVNIK in Slovene 13 Feb 92 p 18

[Article by Mojca Furlan: "Eight Billion for the Police"—first paragraph is DNEVNIK introduction]

[Text] Igor Bavcar and Bogo Brvar on the share of the budget pie that the Interior Ministry wants; according to a plan that is supposed to take into account their actual needs, they would need another 3 billion tolars.

Ljubljana, 13 Feb—The draft law on the Republic of Slovenia's budget for this year provides 8.4 billion tolars for the work of the Slovene police, which in real terms would be 30 percent less than the year before. To be sure, last October the Ministry of Internal Affairs prepared a plan that took into account the actual needs and not extreme limits on spending, according to which it would need 11.5 billion Slovene tolars (44 percent more than in 1991). Since the parliament has designated this year as one of extreme economy, the Slovene police anticipated a reduction to 8.1 billion tolars in the draft budget law. The Interior Ministry will contribute 750 million to the budget, which means that the actual burden on it will be 7.3 billion tolars. This was stated at yesterday's press conference by Interior Minister Igor Bavcar and his deputy, specialist Bogo Brvar.

From the material obtained, which describes in detail the activities for which the police need money (from salaries and funds for purchasing automobiles to reimbursements for ONZ [expansion not given] employees, funds for repairing the drainage system and water pipes at the cadet school, the police orchestra, muzzles for police dogs, etc.), one can conclude that this year considerably less money will be allocated for equipment and weapons (except for the most necessary equipment for special units and the Office for Security and Protection, which will protect diplomatic and consular representatives), and somewhat less than originally planned will be

provided for purchasing automobiles, the interior furnishing of office spaces, and a transitional building for foreigners. Bogo Brvar said that it was not possible to make a substantial reduction in salaries and material expenses (a full 50 percent of all the money is to go for wages). A reduction of 200 million tolars will be achieved by eliminating privileged service time for approximately a thousand employees.

This year the Ministry will also employ about 600 new policemen and detectives. On 1 July, a total of 7,850 people will be employed in Internal Affairs bodies.

Most of the new policemen will be deployed to 16 new border police stations on the border with Croatia, while the detective service will be reinforced with 60 new detectives. This year they are planning considerably fewer police duty assignments and the so-called readiness of policemen in office spaces, at the workplace, or at home, for which they receive special pay, of course. Six percent of the planned material expenses will be for the new border police stations, and there is also some money for solving the space problems of the Novo Mesto and Slovenj Gradec UNZ [expansion not given]. As we have learned, the ONZ Economic Behavior project does not provide for buying new technical equipment, with the exception of instruments for the forensic laboratory and equipment for antisabotage units; money will be primarily invested in restoration of equipment already in existence. The equipment of reserve policemen, the number of whom will be reduced this year, will not be upgraded either. According to estimates from last December, the replacement of insignia on uniforms and vehicles will cost about 17 million tolars.

As we have already noted, the Interior Ministry expects to earn 750 million tolars itself in 1992 and to contribute it to the budget. This involves primarily revenues from the sale of apartments, computer services, the services of the police air unit and the police protective unit, the sale of vehicles and other capital assets that have been written off, etc. It seems that in future years there will be some savings by having students or their parents contribute some money for the training of police cadets.